



County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

March 5, 2008

To: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name of the Chief Executive Officer.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

CHIEF EXECUTIVE OFFICE RISK MANAGEMENT ANNUAL REPORT, FISCAL YEAR ENDED JUNE 30, 2007

The attached *Chief Executive Office Risk Management Annual Report, Fiscal Year Ended June 30, 2007*, is the Chief Executive Office's (CEO) fourth annual risk management report. The report:

- Summarizes the past three fiscal year losses and costs for the County of Los Angeles' (County) vehicle liability, general liability, medical malpractice, workers' compensation, and salary continuation/State of California Labor Code 4850 exposures;
- Assists departments to recognize the nature and extent of their losses;
- Facilitates departments' efforts to strengthen their loss control and prevention activities and Corrective Action Plans; and,
- Provides the County's Cost of Risk that compares the Countywide cost of losses and expenses to the County's operating budget.

As contained in the report, the County's Fiscal Year (FY) 2006-07 Cost of Risk was calculated at \$436,815,571 or 2.15 percent of the County's \$20,318,258,000 operating budget.

In FY 2006-07, the County's risk management programs experienced a number of successes:

- A 16 percent decrease (\$55 million) from the budgeted \$335 million for Workers' Compensation Trust Fund (WCTF) expenses to the actual paid expenses of \$280 million for FY 2006-07.
- A modest 6 percent increase (\$17 million) in WCTF paid expenses from FY 2005-06 (\$263 million) to FY 2006-07 (\$280 million).
- A 4 percent decrease in the number of workers' compensation claims filed from FY 2005-06 (10,468) to FY 2006-07 (10,019).
- A 5 percent decrease in the number of new liability claims and lawsuits filed from FY 2005-06 (4,333) to FY 2006-07 (4,102).
- A 36 percent decrease in the workers' compensation estimated outstanding losses from June 30, 2005 (\$3,531,166,169) to June 30, 2007 (\$2,262,596,742).

Countywide Risk Management Program

Given the importance of this issue, Risk Management and Loss Prevention will become a MAPP goal for 2008-09. Support from all County Department Heads for risk management activities is essential to minimize each department's Cost of Risk. Department Heads have demonstrated commitment by naming a departmental Risk Management Coordinator, supporting safety and return-to-work functions, and requiring staff to participate in workers' compensation and tort liability claim review meetings and roundtables. That effort is appreciated and is contributing to improvements in the Countywide risk management program and results.

Continued support from each Department Head is needed to further enhance the County's risk management program. Enhancing an aggressive loss control and prevention program requires each department to identify their primary Costs of Risk through an evaluation of business operations, completion of thorough accident investigations and reviews, a review of loss data, and selection and implementation of methodologies to address their identified Costs of Risk. The CEO provides support for these efforts by consulting with department staff, providing recommendations based on best practices and assisting with their implementation, and by providing training concerning risk management, safety, and return-to-work subjects.

Each Supervisor
February 26, 2008
Page 3

Workers' compensation loss data is available through the County's workers' compensation database, GenComp, which the CEO made accessible to each department. Tort liability loss data can be obtained by submitting a request to the CEO or County Counsel.

Included in this report is claim data for the first six months of FY 2007-08.

If you have any questions, please contact me or Rocky A. Armfield, County Risk Manager, at (213) 351-5346.

WTF:ES
RAA:SEN:cr

Attachment

c: Executive Officer, Board of Supervisors
County Counsel
Each Department Head

Chief Executive Office Risk Management Annual Report

Fiscal Year Ended June 30, 2007



County of Los Angeles, California

We are proud to present the *County of Los Angeles Chief Executive Office, Risk Management Branch Annual Report for Fiscal Year ending June 30, 2007.*

Your questions or suggestions concerning this annual report would be appreciated.

Thank you

County of Los Angeles
Chief Executive Office
Risk Management Branch
3333 Wilshire Blvd., Suite 820
Los Angeles, CA 90010
(213) 351-5346
(213) 252-0405 Fax



William T Fujioka
Chief Executive Officer



This report is available on our website at <http://ceo.lacounty.gov>.

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EXECUTIVE SUMMARY

The County of Los Angeles Chief Executive Office (CEO) is pleased to provide its risk management annual report for Fiscal Year (FY) July 1, 2006 through June 30, 2007.

The report contains summaries of the fiscal year's losses and costs for the County of Los Angeles (County) workers' compensation, vehicle liability, general liability, and medical malpractice self-insured programs. This report is intended to assist departments with the assessment of the nature and extent of departmental exposures and losses, and enhancement of effective loss control and prevention programs to mitigate those losses.

On June 30, 2007, the CEO Risk Management Branch (CEO/RMB) completed its fifth year administering the County's risk management program.

MISSION AND STRUCTURE

The CEO/RMB mission is:

To evaluate significant Countywide risks, hazards, and exposures; develop and implement risk management methodologies to fund, minimize or eliminate loss; and, advise the Board of Supervisors and departments of risk control strategies to mitigate unanticipated financial losses.

The CEO/RMB's vision is:

To be recognized as the leader in risk management for the State of California public entities; and, to be relied upon for a Countywide risk management philosophy, standards, processes, and direction.

CEO/RMB's primary risk management responsibilities include:

- Risk consulting;
- Self-insurance or purchased insurance above self-insured retentions;
- Management and financing of the County's Workers' Compensation Trust Fund (WCTF);
- Oversight of the Contract Cities and Special Districts Liability Trust Funds;
- Administration and monitoring third party administrators' (TPA) adjusting of workers' compensation and tort liability claims, including vehicle, general, employment practices, and medical malpractice liability claims;

- Loss prevention training, reporting, standards, procedures, and compliance;
- Loss control and industrial hygiene programs;
- Contractual indemnification and insurance requirement language review;
- Administration of the County's Occupational Health Program, including employee medical and psychological programs and the Employee Assistance Program;
- Administration of the County's Short-Term Disability and Long-Term Disability Plans; and,
- Administration of the County's Return-to-Work Program.

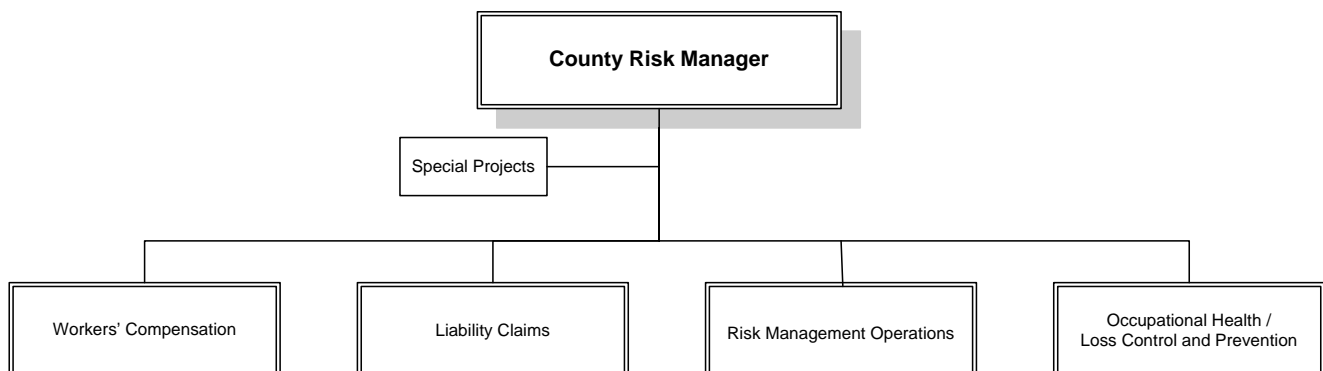
CEO/RMB comprises four operational areas:

1. Workers' Compensation
 - Workers' Compensation Claims
 - Return-to-Work
 - Medical Management and Cost Containment
2. Liability Claims
 - Liability Claims
 - Risk Management Inspector General
3. Risk Management Operations
 - Risk Management Operations
 - Disability Management
4. Occupational Health / Loss Control and Prevention
 - Occupational Health Programs
 - Loss Control and Prevention

Each operational area and their subsections are presented in this report. CEO/RMB staff strive to accomplish the CEO's mission with direction from the County's Board of Supervisors and CEO senior management, and assistance of County departments, the CEO Risk Management Advisory Committee, and County Counsel.

Figure 1: CEO/RMB organization chart

CEO Risk Management Branch Organization Chart



FISCAL YEAR 2006-07 RESULTS

During FY 2006-07, the County continued to experience decreases in claim frequency and only moderate growth in the total Cost of Risk. Workers' compensation claims per 100 employees have decreased 20% from 12.94 in FY 2002-03 to 10.36 in FY 2006-07. Increases in workers' compensation expenses were anticipated following significant reductions in prior years. Increases in liability expenses were partially a result of several significant claim judgements and settlements.

CEO staff continue to participate in efforts to minimize the erosion of gains made through workers' compensation legislative reforms. Reforms which were passed in the last few years included a medical fee schedule, medical utilization review, independent medical review, repeal of the treating physician presumption, and the creation of medical provider networks.

FY 2006-07 Accomplishments

- A 16% decrease (\$55 million) from the budgeted \$335 million for WCTF expenses to the actual paid expenses of \$280 million for FY 2006-07.
- A modest 6% increase (\$17 million) in WCTF paid expenses from FY 2005-06 (\$263 million) to FY 2006-07 (\$280 million).
- A 4% decrease in the number of workers' compensation claims filed from FY 2005-06 (10,468) to FY 2006-07 (10,019).
- A 5% decrease in the number of new liability claims and lawsuits filed from FY 2005-06 (4,333) to FY 2006-07 (4,102).
- A 36% decrease in the workers' compensation estimated outstanding losses from June 30, 2005 (\$3,531,166,169) to June 30, 2007 (\$2,262,596,742).

FY 2007-08 Objectives

- Assist departments to implement recommendations to improve departmental risk management efforts.
- Continue to work closely with County representatives in Sacramento to minimize the erosion of legislative gains obtained through the State of California (State) workers' compensation reforms; and, make additional legislative recommendations relating to workers' compensation or service connected disability retirements as warranted.
- Minimize the County's Cost of Risk.

ACTUARIAL RESULTS

The annual actuarial study of the County's self-insured Workers' Compensation Program includes a projection of the estimated outstanding losses (the cost of unpaid claims). These losses include claim reserves and incurred but not reported claims.

As a result of legislative changes, including State Assembly Bill 227 and Senate Bills 228 and 899, and improvements in the County's risk management programs, the County experienced a significant decrease, \$1,268,569,427 (36%), in its estimated outstanding losses between June 30, 2005 and June 30, 2007.

Table 1: Comparison of estimated outstanding losses

	As of June 30, 2005	As of June 30, 2006	As of June 30, 2007
Estimated outstanding losses	\$2,556,222,203	\$2,435,203,729	\$2,262,596,742
Projected ultimate losses for FY 2005-06	\$473,392,311	Included above	Included above
Projected ultimate losses for FY 2006-07	\$501,551,655	\$424,918,858	Included above
Total¹	\$3,531,166,169	\$2,860,122,587	\$2,262,596,742

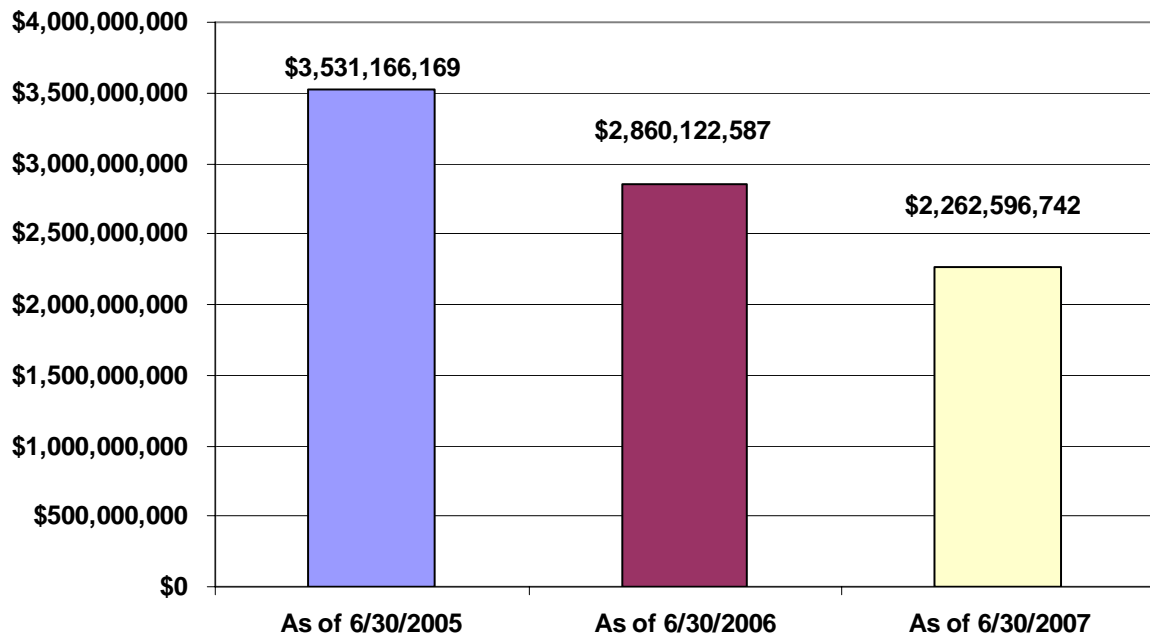
Source: ARM Tech

Note:

1. Includes State of California Labor Code 4850 expense and salary continuation expense.

Figure 2: Projected ultimate workers' compensation losses

County of Los Angeles Projected Ultimate Workers' Compensation Losses



COST OF RISK

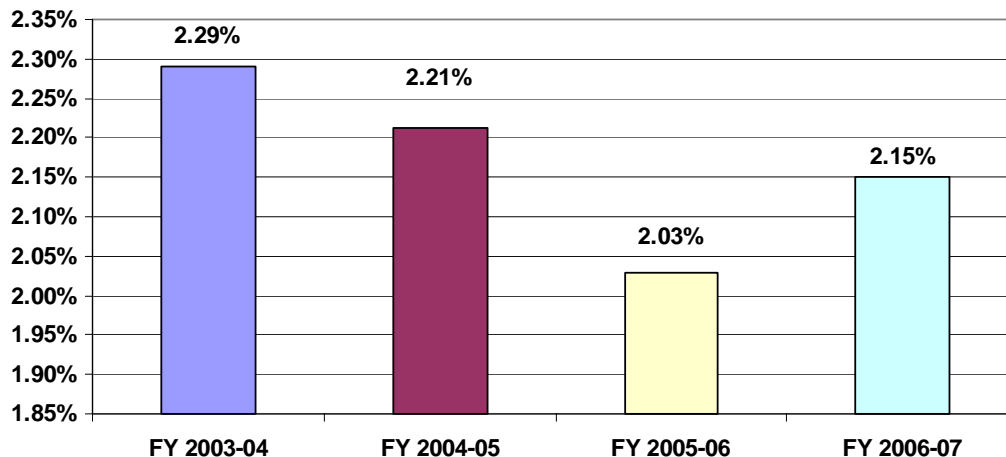
The Cost of Risk is a comparison of the County's expenditures for the County's numerous risk management programs to the County's operating budget in a specific fiscal year. The effectiveness of the County's risk management programs can be reflected in this comparison since the Cost of Risk includes paid claims (amounts paid in the fiscal year without regard to the year the claims arose), insurance premiums, safety and loss control programs, and operational and administrative expense. The County's Cost of Risk is outlined in Table 3 and the Cost of Risk as a percentage of County operating budget is illustrated in Figure 3. Note that department payroll expenses for workers' compensation (salary continuation and State Labor Code 4850) have been included for the first time in this report. The Cost of Risk is presented with and without salary continuation and Labor Code 4850 expenses.

The County's objective is to minimize the Cost of Risk.

Following an 8% decrease in the Cost of Risk from FY 2004-05 (2.21%) to FY 2005-06 (2.03%), the Cost of Risk increased 6% from FY 2005-06 to FY 2006-07 (2.15%). Seven categories of expense contributed to this increase, including increases in tort liability claim expense, legal expense, and administrative expense. See Table 2 for additional information. The increase in tort liability claim expense was impacted by a small number of large-dollar claim settlements.

Figure 3: Cost of Risk¹ as a percentage of County operating budget

County of Los Angeles Cost of Risk as a Percentage of County Operating Budget FY 2003-04 through FY 2006-07 (includes salary continuation and Labor Code 4850)



Note:

1. Cost of Risk is the total of: (1) Claims and premiums, and (2) other costs, as stated in the Cost of Risk table (Annual Report, Executive Summary).

Figure 4: County fiscal year comparison of total Cost of Risk, regardless of date of occurrence

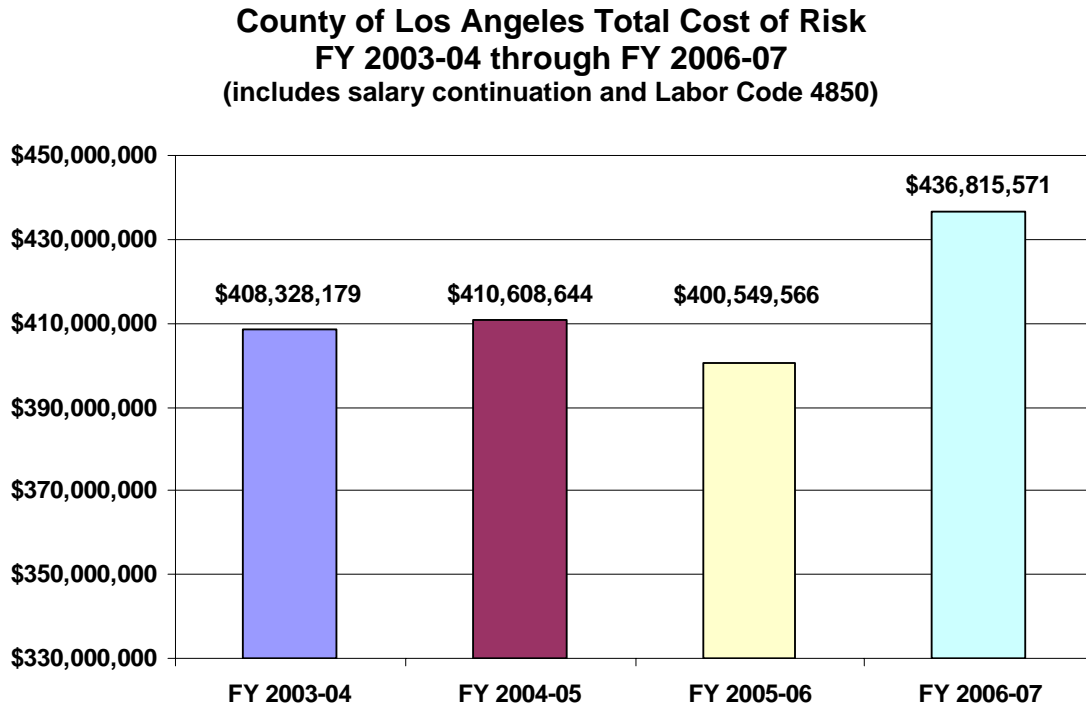


Table 2: Explanation of increases in the Cost of Risk

Expense Category	Percent Increase	Paid Cost Increase	Comment
Vehicle liability claims	74%	\$3.3 million	The five largest payments totaled \$4.7 million in FY 2006-07 compared to \$1.9 million in FY 2005-06.
General liability claims	22%	\$4.5 million	The five largest payments totaled \$10.2 million in FY 2006-07 compared to \$7.3 million in FY 2005-06.
Medical malpractice claims	55%	\$4.9 million	The five largest payments totaled \$8.4 million in FY 2006-07 compared to \$4.7 million in FY 2005-06.
Workers' compensation claims	2%	\$4.8 million	This was a nominal percentage increase.
Legal	18%	\$7.9 million	Legal expense includes County Counsel and contract law firm costs for the workers' compensation program and tort liability programs.
Claim administration fees	7%	\$1.9 million	Increase in claim administration fees impacted by renewal expense of new third party administrator contracts.
Administrative	30%	\$8.3 million	Increase in administrative expense impacted by the expenses recorded under medical management contracts and the State workers' compensation user fee charged to self-insured employers.

Table 3: Cost of Risk detail

	FY 2004-05	FY 2005-06	FY 2006-07
Claims and Premiums			
Vehicle Liability ^{1,2}	\$5,171,231	\$4,369,278	\$7,597,352
General Liability ¹	\$11,198,875	\$20,199,020	\$24,684,607
Medical Malpractice ¹	\$9,967,836	\$9,039,691	\$13,970,042
Workers' Compensation	\$213,614,145	\$207,621,048	\$212,436,522
Salary Continuation/Labor Code 4850	\$49,394,293	\$42,256,919	\$43,007,829
Property Insurance Premiums ³	\$12,209,867	\$12,668,683	\$13,915,100
Other Insurance Premiums ³	\$4,428,482	\$4,797,001	\$3,527,123
Subtotal	\$305,984,729	\$300,951,640	\$319,138,575
Other Costs			
Legal Expenses ^{1,4}	\$50,275,705	\$44,553,181	\$52,445,240
Broker Fees ^{1,3}	\$662,589	\$500,000	\$500,000
Consulting and Management Fees ^{1,5}	\$192,227	\$117,504	\$98,123
Claims Administration Fees ^{3,5}	\$25,715,149	\$26,436,059	\$28,380,373
Administrative ^{3,6}	\$27,778,245	\$27,991,182	\$36,253,260
Subtotal	\$104,623,915	\$99,597,926	\$117,676,996
COST OF RISK⁷	\$410,608,644	\$400,549,566	\$436,815,571
COST OF RISK⁷ (without Salary Continuation/Labor Code 4850)	\$361,214,351	\$358,292,647	\$393,807,742
Total County Operating Budget	\$18,558,309,000	\$19,737,226,000	\$20,318,258,000
COST OF RISK (as Percentage of County Operating Budget)	2.21%	2.03%	2.15%
COST OF RISK (without Salary Continuation/Labor Code 4850)	1.95%	1.82%	1.94%

Notes:

1. Paid claims represents the amount paid for all indemnity (pay type OC) in the fiscal year regardless of occurrence date and does not include Reported But Not Paid (RBNP) or Incurred But Not Reported (IBNR) reserves. Payments include CEO/RMB Insurance Budget and County Counsel Judgment and Damages Budget.
2. Vehicle Liability claim cost figures do not include non-insured property loss and non-third party vehicle loss, which are directly paid by each department.
3. Reflects expenditures funded from only the Insurance Budget and does not include expenditures from the Judgment and Damages Budget.
4. Legal Expenses are defined in liability files as all fees and expenses paid from the liability claim (pay type SS). Legal expenses are defined in workers' compensation as all contract and County Counsel fees (pay category 53). Legal expenses are the sum of pay type SS and pay category 53.
5. Amount is the sum of the Insurance Budget expense for TPA adjusting services and the WCTF expense for TPA adjusting services. Does not include cost for other CEO/RMB functions (i.e. Loss Control and Prevention and Occupational Health Programs).
6. Amount is the sum of administrative support cost (i.e. computer system, CEO/RMB costs) for liability program and all of the administration costs not included in legal expenses, TPA adjusting expenses, and net benefit expense (i.e. investigation expenditures, computer costs); administrative workers' compensation costs are reported in the WCTF report.
7. Total Cost of Risk does not include non-insured property claims and County-owned vehicle claims.
8. All amounts are paid as of June 30, 2007, as reported in the County's liability Risk Management Information System (RMIS), workers' compensation information system (GenIRIS), and/or the WCTF Cash Balance Report.
9. RMIS information included in this report is: (1) claims coded as Vehicle Liability (AL), General Liability (GL), and Medical Malpractice (MM); but, (2) information excludes Metropolitan Transportation Authority, Metrolink, departments not listed in Exhibit B, Children Service dependency cases, and probate funding accounts.

DEPARTMENTAL RECOMMENDATIONS

Workers' Compensation

- Attend regularly scheduled claim reviews with the third party administrator (TPA) administering the department's workers' compensation claims.
- Develop the capability to generate open workers' compensation claim reports identifying the department's most costly claims.

Return-to-Work

- Attend regularly scheduled claim reviews with the TPA administering the department's workers' compensation claims.
- Identify all injured workers receiving temporary disability or vocational rehabilitation maintenance allowance benefits (long term workers' compensation disability benefits) and monitor case status to comply with return-to-work recommendations.
- Implement and maintain an electronic system to track employees on disability leave.
- Develop close working relationships with medical treatment centers providing initial care to injured workers to ensure early-return-to-work availability is communicated.

Liability Claims

- Periodically obtain and review relevant RMIS data for the department. Information should provide management with an understanding of the claim types, associated cost, and progress toward resolution.
- Participate in periodic claim reviews wherein overall claim/lawsuit status, funding/cost, and other claim/lawsuit-specific information is discussed.
- Consider assigning responsibility for coordination of the liability claims management process to the Risk Management Coordinator.
- Conduct a comprehensive evaluation of the various types of liability claims (vehicle liability, general liability, medical malpractice, property, first party claims, employee permittee driver, etc.); and, gain an understanding of exposure, risks, and departmental costs related to the entire spectrum of claims.

Risk Management Inspector General

- Review all existing open Corrective Action Plans (CAP) for compliance, closure and effectiveness.
- Develop an internal CAP assessment process to verify implemented corrective actions accomplished required organizational objectives.
- Risk Management Coordinators should work with CEO Risk Management and departmental safety staff to draft and implement proactive loss prevention steps based on completed CAPs.
- Risk Management Coordinators and other appropriate staff should attend CAP training, and participate in the development, review, and auditing of CAPs.

Risk Management Operations

- Participate in the development of the County Insurance Budget concerning departmental budgets.
- Work closely with CEO staff to maximize insurance benefits provided under the County's commercial property and casualty insurance programs.
- Participate in CEO contractual risk management/insurance training for departmental contract analysts and monitors.

Disability Management

- Designate a department employee and a back-up to function as the departmental Short-Term Disability (STD) and/or Long-Term Disability (LTD) Coordinator to interact with the CEO's STD and LTD monitor on a regular basis to resolve claim issues.
- Participate in the STD, LTD, and Survivor Benefit training offered by the CEO.
- Respond timely to informational requests from the County's TPA to expedite the claims processing time and avoid any unnecessary termination of benefits.

Occupational Health Programs

- Ensure that medical examinations are scheduled with sufficient time before the applicant is expected to start employment.
- Evaluate the effectiveness of hiring applicants on a conditional basis subject to the applicant passing the medical examination.
- Evaluate periodic employee medical examinations for direct relevancy for the employee's job tasks and only schedule those employees exposed. Evaluate job tasks to determine if additional testing is required for any employee not currently being tested on a periodic basis.
- Take necessary steps, including interactive meetings with employees, prior to requesting medical and/or psychological re-examinations.
- Provide CEO feedback relating to medical standards applied to applicants.

Loss Control and Prevention

- Ensure adequate staffing is provided to focus on loss control and prevention issues.
- Implement recommendations contained in the department's CEO Risk and Needs Assessments.
- Ensure that basic elements of the injury and illness prevention program (program and facility evaluations, accident investigation, and training) are implemented throughout the department.
- Work in conjunction with CEO to identify cost driver issues and develop action plans to address root causes of problems.

RISK MANAGEMENT ADVISORY COMMITTEE

CEO thanks the CEO Risk Management Advisory Committee (RMAC) for its efforts during the past year. The RMAC meets quarterly to receive updates on County risk management issues and to provide advice and guidance. The RMAC includes representatives appointed by the Board of Supervisors and the CEO.

First District: Supervisor Molina

Gary A. Bacio
Law Offices of Gary Bacio

Second District: Supervisor Burke

Jesse B. Johnson, Jr.
City of Long Beach

Third District: Supervisor Yaroslavsky

Diann P. Corral

Fourth District: Supervisor Knabe

Vacant

Fifth District: Supervisor Antonovich

Gavin Hachiya Wasserman
Wasserman & Wasserman, LLP

CEO Appointee

Fay Feeney
Envision Strategic Group

CEO Appointee

Karen D. Oxman
GNW-Evergreen Insurance Services, LLC

CEO Appointee

Roger B. Plotkin
Beckman Coulter, Inc.

CEO Appointee

Roland R. Sarlot
Sarlot and Rhein



RISK MANAGEMENT BRANCH FUNCTIONS

- a. Workers' Compensation Claims
- b. Return-to-Work
- c. Medical Management and Cost Containment
- d. Liability Claims
- e. Risk Management Inspector General
- f. Risk Management Operations
- g. Disability Management
- h. Occupational Health Programs
- i. Loss Control and Prevention



WORKERS' COMPENSATION

The County's self-insured Workers' Compensation Claim Administration Program is the largest of any local governmental entity in California, and is responsible for securing statutory workers' compensation protection for approximately 100,000 employees and the administration of approximately 24,000 open workers' compensation claims. In addition, approximately 10,000 new claims are reported annually. Three workers' compensation claim third party administrators (TPAs) adjust the County's workers' compensation claims. Experienced County staff in the CEO Workers' Compensation Claim Management Unit (CEO/WCCU) provides on-site monitoring of the claim services of each TPA. County Counsel staff and contracted workers' compensation defense attorneys provide legal services.

The mission of CEO/WCCU is:

To comply with all legal mandates related to the Workers' Compensation Program at the least possible cost to the County.

To respond to County departments' needs that arise from the costs and risks associated with workers' compensation claim liabilities.

To assist injured workers in the fair, equitable, and expeditious resolution of workers' compensation claim issues.

FY 2006-07 Accomplishments

- Closely collaborated with TPAs, County departments, and County Counsel in applying the significant workers' compensation reforms that became effective in Calendar Year 2004. These State of California (State) workers' compensation system reforms offered administrative efficiency and cost containment. As a result of the successful implementation of these reforms, the County's workers' compensation program has experienced expense stabilization and a significant reduction in estimated outstanding losses.
- Continued to work with a coalition of public and private employers and the insurance industry in monitoring and recommending regulatory changes to accomplish reform in a balanced, efficient, non-litigious manner.
- Continued to emphasize claim handling protocols that cultivate evidence-based claim administration and improve communication between workers' compensation TPAs and County departments. In FY 2006-07, CEO monitors attended more than 100 claim reviews and litigation roundtables.
- In collaboration with CEO Return-to-Work (CEO/RTW) and County departments, communication between the departments and TPAs was enhanced, resulting in the annual amount of salary continuation and Labor Code 4850 expenses being reduced by 12.5% from FY 2004-05 (\$48.9 million) to FY 2006-07 (\$42.8 million).

- In collaboration with CEO Risk Management Operations and CEO Information Technology Services (CEO/ITS), CEO/WCCU directed and managed the upgrade and enhancement of the workers' compensation claims information system (WCIS). The WCIS transition occurred on schedule with no delay in the provision of benefits and with no cost overruns. This upgrade enhanced communication between TPAs, CEO, and County departments.
- Concurrent with the WCIS upgrade, CEO implemented workflow improvements and process controls that promote the separation of duties.

FY 2007-08 Objectives

- Continue to implement evidence-based claim handling protocols.
- Continue to promote collaboration with TPAs, County Counsel, County departments, and CEO/RTW to improve workers' compensation claim outcomes.
- In collaboration with CEO/ITS and CEO/RTW, develop a production report that trends the utilization of workers' compensation time-off benefits (by department) and identifies each injured worker receiving such benefit (by department).
- In collaboration with CEO/RTW, distribute workers' compensation time-off reports to all departments with the specific recommendation that departments follow current RTW policies and procedures.
- Continue to assist and collaborate with the County of Los Angeles District Attorney's Workers' Compensation Division and other investigative agencies to deter, detect, and prosecute all types of workers' compensation fraud.
- Investigate whether pattern recognition software and other technologies can be utilized, in a fiscally responsible manner, to detect fraudulent workers' compensation billing.
- Explore the cost and effectiveness of reducing current workers' compensation caseloads from 175 claims per TPA examiner to 150 or 125 per TPA examiner.

Figure 5: Workers' compensation claim inventory

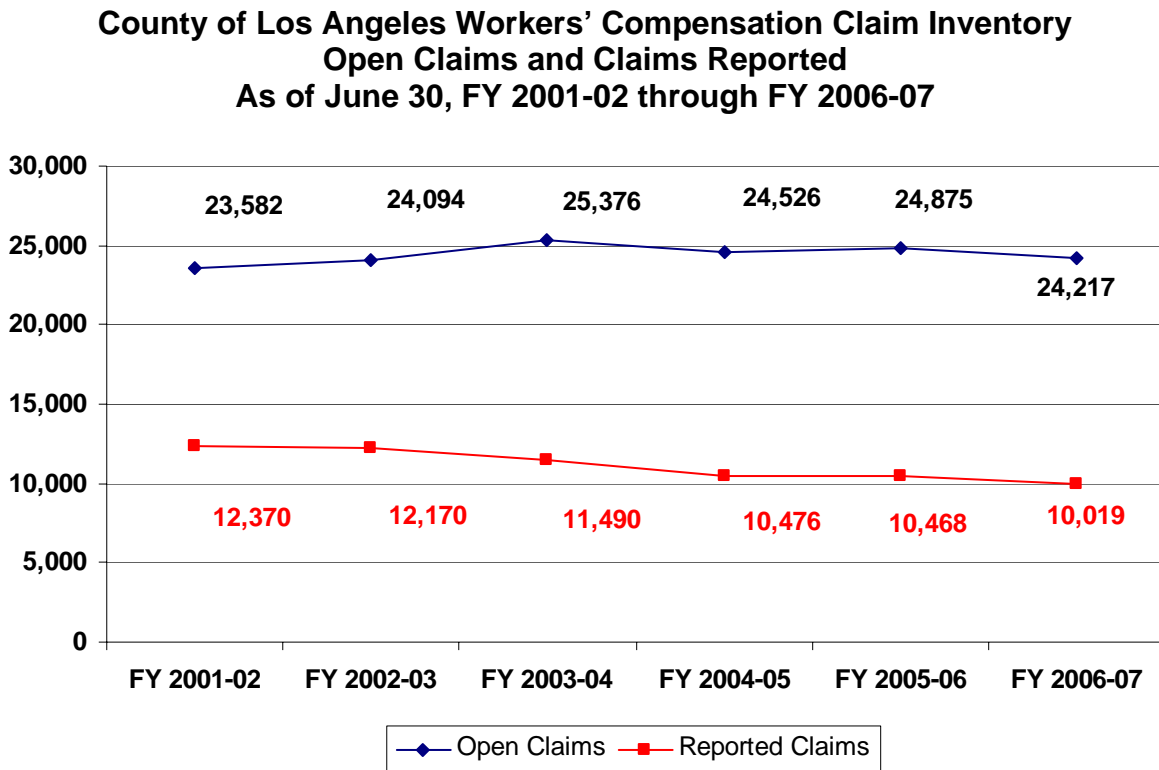
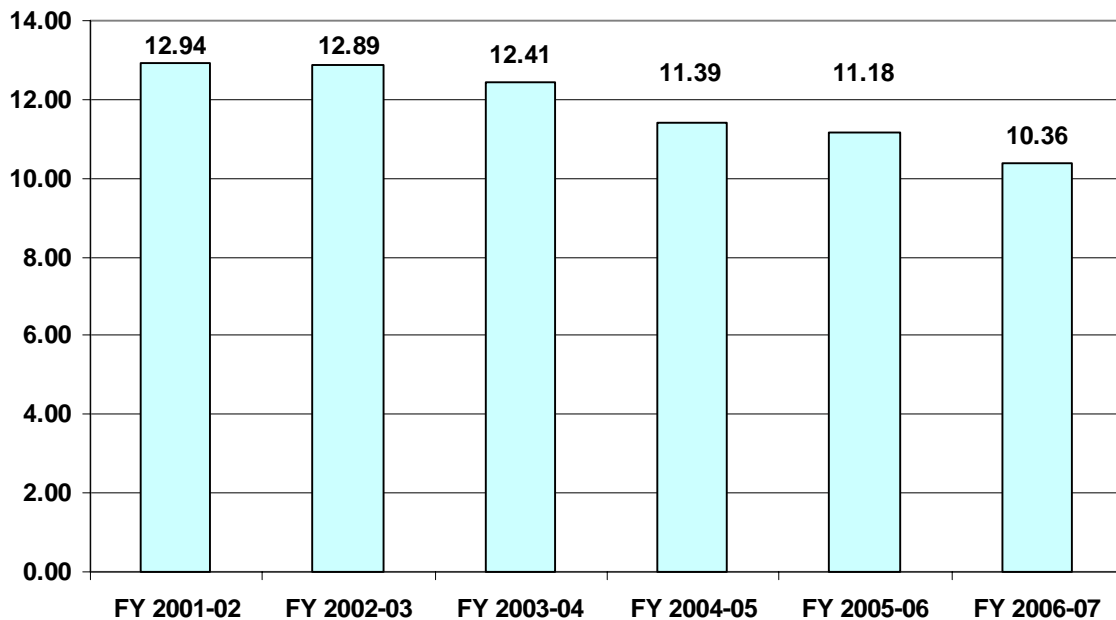


Figure 6: Workers' compensation claim frequency per 100 employees

County of Los Angeles Workers' Compensation Claim Frequency per 100 Employees¹
FY 2001-02 through FY 2006-07



Note:

1. Employee count is based on payroll reports as of 12/31 each fiscal year.

Figure 7: Workers' Compensation Trust Fund budgeted vs. actual paid cost

**County of Los Angeles Workers' Compensation Trust Fund Budgeted vs. Actual Paid
FY 2001-02 through FY 2006-07**

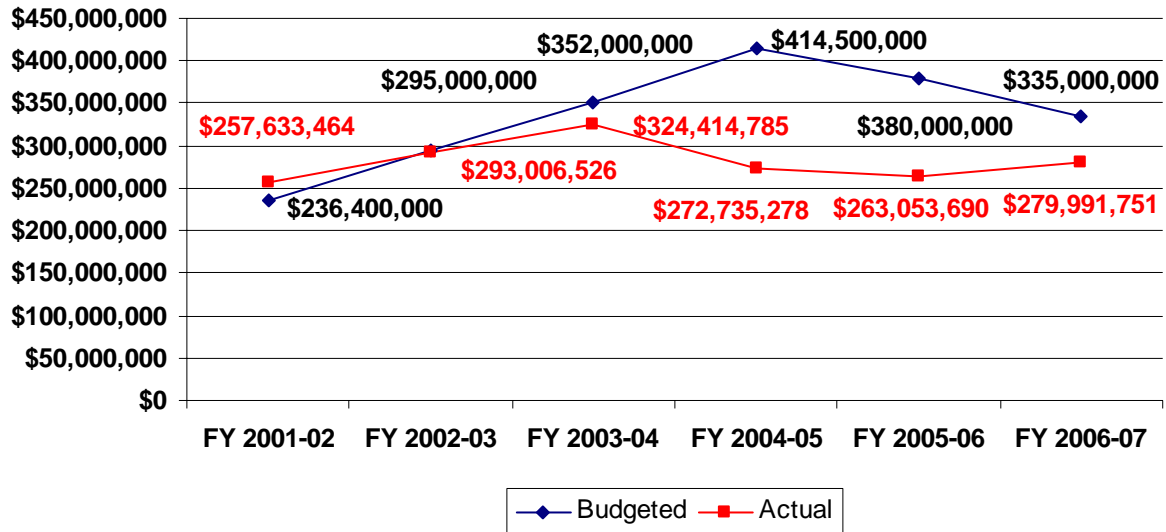
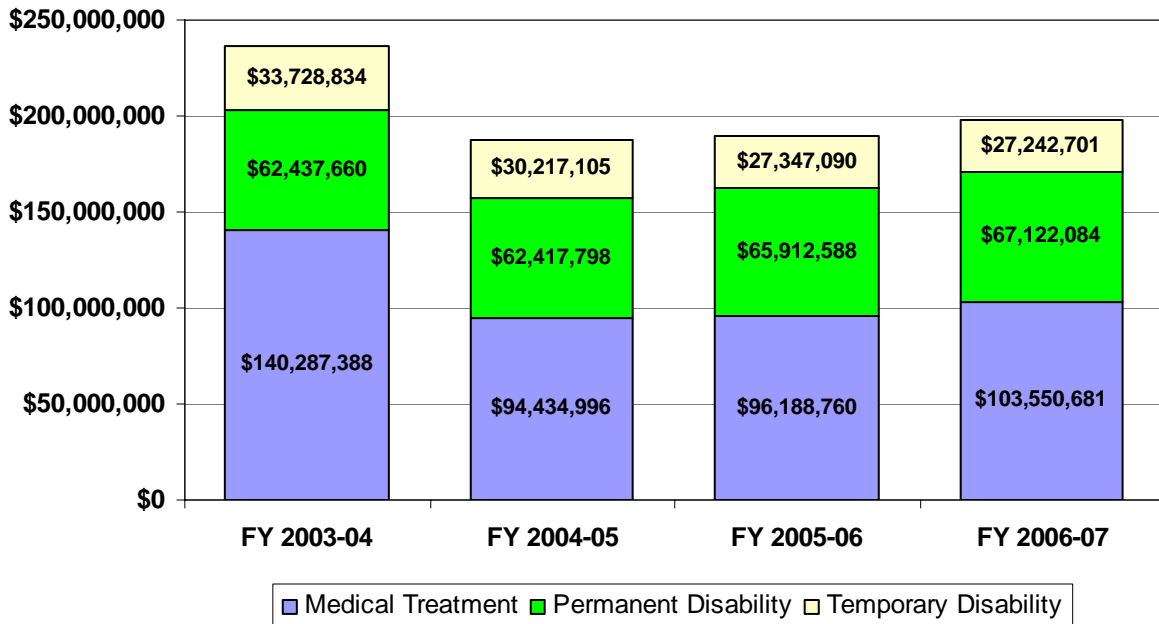


Figure 8: Pay Categories Report cost comparison

**County of Los Angeles Workers' Compensation Pay Categories Report
FY 2003-04 through FY 2006-07**



Source:

Medical Treatment is sum of Pay Category 00 and 10; Permanent Disability is Pay Category 21; Temporary Disability is Pay Category 20.

RETURN-TO-WORK

The County's Return-to-Work (RTW) program is intended to minimize the financial and human costs of work-related injuries by returning employees to work quickly and safely after industrial accidents. The program is also intended to ensure the provision of reasonable accommodations for disabled employees as required by the Fair Employment and Housing Act. To assist County departments with the implementation of the RTW program, the CEO Return-to-Work Unit (CEO/RTW) provides training, consultative services, and model policies/procedures.

FY 2006-07 Accomplishments

- Conducted seven professional development seminars for RTW coordinators. The seminars addressed topics including workers' compensation, the Fair Employment and Housing Act, and the Family Medical Leave Act.
- Conducted *RTW 101*, an 18-hour introductory course, for 41 departmental RTW coordinators. The course provides a fundamental understanding of the County's RTW program and the responsibilities of County RTW coordinators.
- Conducted 22 RTW training sessions for departmental supervisors. The training sessions provide supervisors, who are the front line of the RTW program, with an understanding of RTW duties including the coordination of light-duty assignments, completion of RTW paperwork, and the identification/implementation of reasonable accommodations.
- Attended 27 interactive meetings to assist departments with the exploration of reasonable accommodations.
- Attended 61 workers' compensation claim reviews to assist CEO/WCCU and the third party administrators (TPAs) with claim resolution efforts.
- Reviewed 45 vocational rehabilitation plans for employees who were unable to return to their job as a result of an industrial accident.
- Attended 19 vocational rehabilitation conferences at the Workers' Compensation Appeals Board and assisted the TPAs with the defense of the County.
- Processed 48 department requests to release permanently disabled employees.

FY 2007-08 Objectives

- Increase the number of CEO/RTW training sessions by 25%.
- Increase awareness regarding CEO's availability to assist with interactive process needs and encourage department RTW coordinators to invite CEO/RTW participation.

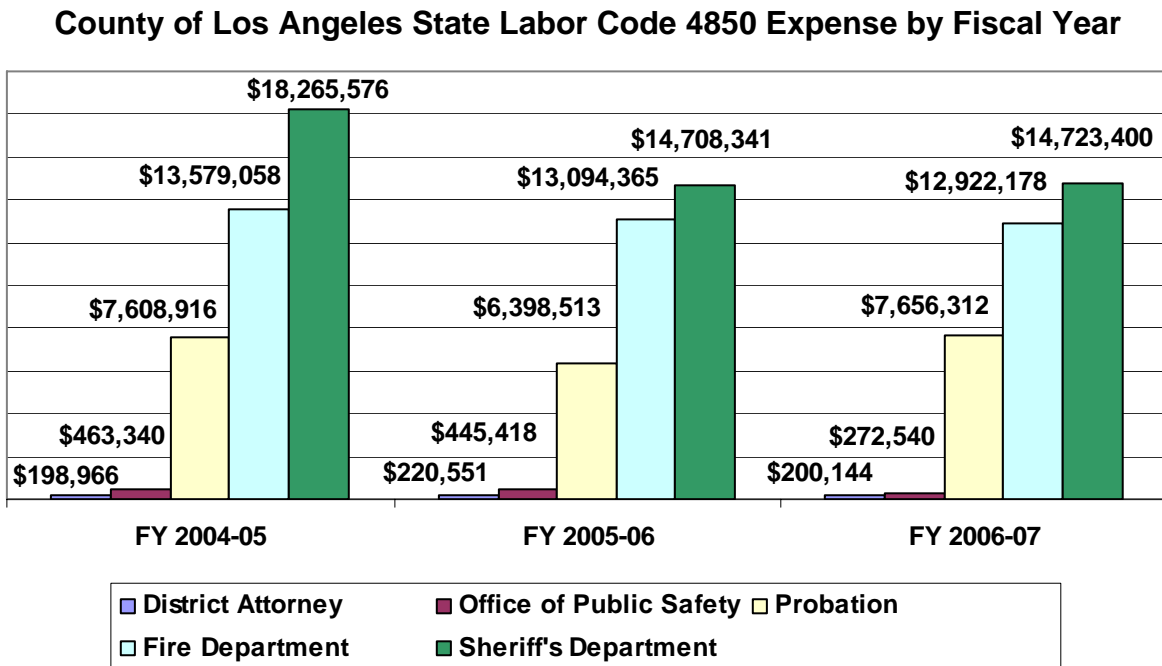
- Prepare RTW coordinators to conduct RTW training for department personnel by providing CEO training materials and co-teaching initial classes.
- In collaboration with CEO Workers' Compensation Claim Unit and CEO Information Technology Services, utilize GenIRIS to assess whether departments are capitalizing on the RTW financial incentives of Senate Bill 899.

One indicator of the County's RTW program's effectiveness is cost avoidance of salary continuation and State Labor Code 4850 payments. RTW effectiveness results from a team effort of departmental RTW staff, workers' compensation TPAs, CEO claim monitors, and departmental supervisors and managers.

From Fiscal Year (FY) 2004-05 to FY 2006-07, salary replacement expense for State Labor Code 4850 and salary continuation both showed dramatic decreases.

- State Labor Code 4850 provides salary replacement paid to injured safety personnel and consists of 100% of salary tax-free. State Labor Code 4850-eligible employees experienced an 11% decrease in expense from FY 2004-05 to FY 2006-07.
- Salary continuation provides salary replacement for injured non-safety personnel and approximates 70% of base salary. The salary continuation expense experienced a 21% decrease from FY 2004-05 (\$8,817,152) to FY 2006-07 (\$6,918,183).

Figure 9: State Labor Code 4850 expense by fiscal year



Source: Auditor-Controller, based on 100% IA Earnings.

MEDICAL MANAGEMENT AND COST CONTAINMENT

The CEO Medical Management and Cost Containment Unit is responsible for monitoring the workers' compensation medical and disability management and cost containment contracts. These contracts are intended to reduce medical and disability costs and enhance the quality of the County's medical management program. They provide the following services:

- 24-hour Telephonic Reporting of Workers' Compensation Injuries;
- Medical Case Management;
- Medical Bill Review;
- Pharmacy Bill Review;
- Preferred Provider Networks;
- Utilization Review Services; and,
- Medical Provider Network(s).

Medical management and cost containment services allow the County to take advantage of statutorily afforded cost avoidance provisions. In FY 2006-07, the County realized gross savings of approximately 67% on the total bills reviewed by medical management and cost containment contractors. In addition, those contractors provided utilization review services to ensure medical treatment services were based upon evidence-based medical guidelines and authorized within appropriate timeframes.

LIABILITY CLAIMS

The CEO Liability Claims Section (CEO/LC) provides consultative services that support the County's property and tort liability, including vehicle, general, employment practices, and medical malpractice liability claim processes. For vehicle, general, employment practices, and medical malpractice liability claims assigned to the County's two liability claim third party administrators (TPAs), CEO serves as the County's contract administrator. CEO represents the County in Small Claims Court, investigates liability and property claims, and adjusts inmate and patient property claims against the County.

CEO/LC also provides the following services to the County:

- Coordinate the County's subrogation program, including subrogation, restitution, and deductible recovery.
- Report and consult with County departments on exposure and claim issues. Assist departments to assess methods to reduce exposures and claims.
- Adjust small and property damage claims for various County departments.
- Manage the County's structured settlement and annuity program.
- Coordinate and oversee the County's Special Districts and Contract Cities Liability Trust Funds.
- Support departments' loss control efforts through the generation and distribution of Risk Management Information System (RMIS) loss control and claim reports.

FY 2006-07 Accomplishments

- Represented the County in 60 Small Claims Court appearances, resulting in 91% favorable decisions. The staff adjusted 444 small and property claims, limiting expenses to \$25,000.
- Worked with County Counsel and various departments to implement a new Medical Malpractice and Hospital Liability and Legal Defense Management Service Contract.
- In conjunction with County Counsel, the Department of Health Services, and the County's two tort liability TPAs, implemented an enhanced employment practices claim management process.
- Received \$728,617 from "at fault" parties who damaged County property. This represents a 266% increase from the FY 2004-05 amount of \$199,000.

FY 2007-08 Objectives

- Develop and implement a process to pursue additional County real property subrogation opportunities.
- In collaboration with CEO Employee Relations and County departments, evaluate the County's Permittee Driver Program, and make recommendations related to the adjusting of County first party vehicle claims.
- Work with CEO Information Technology Services and County Counsel to expand distribution of RMIS liability claim information to County departments.
- Publish the *County of Los Angeles Liability Claim User's Guide* and conduct Countywide liability claim management training programs.
- Continue to collaboratively work with County Counsel divisions and County departments to efficiently adjust claims and minimize claim-related losses.

RISK MANAGEMENT INSPECTOR GENERAL

The CEO Risk Management Inspector General (CEO/RMIG) provides consultative services to support department evaluation and assessment of risk that may result in property or liability claims, or other loss-related financial exposures. The CEO assists departments in the development and implementation of Corrective Action Plans (CAP), Summary Corrective Action Plans (SCAP), root cause analysis, and development of loss control options. In addition, in collaboration with CEO Loss Control and Prevention (CEO/LCP), CEO/RMIG also conducts an independent assessment of CAP and SCAP implementation by departments.

The CEO maintains the County's *Corrective Action Plan User's Guide*, that provides departments standardized and uniform guidelines related to the development and implementation of CAPs and SCAPs.

FY 2006-07 Accomplishments

- Enhanced procedures for the effective review of department CAPs and SCAPs, and conducted 124 independent assessments.
- In collaboration with CEO/LCP, participated in over 30 meetings with departments to assist them develop specific CAPs.
- Implemented a process for liability claim TPAs to notify the departmental Risk Management Coordinator and CEO/LCP should a claim's indemnity reserve exceed \$20,000.

FY 2007-08 Objectives

- Expand the half day CAP Development Workshop to a full day and expand the curricula to include root cause analysis, SCAP process, loss control and hazard assessment.
- Assist departments in implementing the SCAP process for claims submitted to the County Claims Board in excess of \$20,000.
- Publish the *Corrective Action Plan Implementation Assessment Review and Reporting Procedures Manual* and conduct training for County staff who review Board-required CAPs and SCAPs for implementation verification and effectiveness.
- Explore the feasibility of enhancing the CAP and SCAP tracking software application.

The following table illustrates the number of CAPs submitted to the Board for liability settlements in excess of \$100,000, by fiscal year.

Table 4: Corrective Action Plans by department

Department	FY 2004-05	FY 2005-06	FY 2006-07
Agricultural Commissioner/Weights and Measures	0	0	1
Animal Care and Control	1	0	0
Auditor-Controller	1	0	1
Children and Family Services	0	2	1
Community and Senior Services	1	1	0
District Attorney	0	1	0
Fire	1	1	2
Health Services	15	12	9
Internal Services	0	0	1
Office of Public Safety	0	1	0
Parks and Recreation	1	0	1
Probation	1	1	0
Public Defender	1	0	0
Public Health	0	0	1
Public Library	1	0	0
Public Social Services	0	0	1
Public Works	3	6	7
Registrar-Recorder/County Clerk	0	1	0
Sheriff	9	16	12
Total	35	42	37

RISK MANAGEMENT OPERATIONS

The CEO Risk Management Operations Section (CEO/RMO) is responsible for the following risk management programs and functions:

- County Commercial Insurance Program;
- Coordination of Risk Management Information System (RMIS) with CEO Information Technology Services (CEO/ITS);
- Coordination of the Workers' Compensation Information System with CEO/ITS;
- Insurance Budget (departmental coordination);
- CEO/RMB Contracts Administration Program;
- Indemnification and insurance language review and approval;
- Self-insurance certifications;
- Administrative services support to CEO/RMB;
- Ad hoc and special studies and reports; and,
- Risk Management Advisory Committee administration.

FY 2006-07 Accomplishments

- Maintained all commercial insurance programs without a lapse in coverage.
- Produced and maintained the County's FY 2006-07 Insurance Budget.
- Analyzed departmental contractual risk exposures and recommended indemnification and insurance requirements for County contracts; trained departmental contract analysts and other staff in contractual risk management and related insurance issues.

FY 2007-08 Objectives

- Maintain all commercial insurance programs with no break in coverage, enhance coverage terms at the most competitive cost, and timely renewal of all broker services agreements.
- Continue providing technical assistance to departments with unique insurance requirements/issues.
- Meet all deadlines and requirements in producing and maintaining the FY 2007-08 Insurance Budget.

DISABILITY MANAGEMENT

The Disability Management Unit is responsible for administering the County's Short-Term Disability (STD) and Long-Term Disability (LTD) Plans that provide a salary maintenance benefit to County employees disabled as a result of an illness or injury. The unit also administers the Long-Term Disability Health (LTD-H) Plan that offers medical insurance premium coverage for LTD recipients, and the Survivor Benefit (SB) Plan, that provides eligible survivors with income benefits in the event of the employee's death.

The administration of these plans includes:

- Managing third party administrator and Hearing Officer contracts;
- Providing advice and guidance to County employees and departments relative to the plan rules;
- Managing the various trust funds associated with these self-insured programs;
- Issuing an annual actuarial study; and,
- Arranging appeal hearings for LTD and LTD-H recipients.

Table 5: Short-term disability claims data

STD Plan Components	FY 2004-05	FY 2005-06	FY 2006-07
Claims Approved	484	466	535
Average Claim Duration	11.6 weeks	10.9 weeks	11.9 weeks
Average Number of Open Claims	93	86	105
Claim Expense	\$4,193,202	\$4,747,781	\$6,531,229

Table 6: Long-term disability claims data

LTD Plan Components	FY 2004-05	FY 2005-06	FY 2006-07
Claims Approved	828	512	532
Average Number of Open Claims	2,556	2,529	2,519
Claim Expense	\$28,425,660	\$30,133,570	\$29,515,343

FY 2006-07 Accomplishments

- Completed an actuarial study in accordance with the revised Other Post Employment Benefits (OPEB) and Governmental Accounting Standards Board (GASB) statement No. 45 requirements.
- Realized a 2% decrease (\$0.6 million) for LTD claim expense from FY 2005-06 (\$30,133,570) to FY 2006-07 (\$29,515,343). This was the first year-over-year decrease in claim expense in the last five years.

- Implemented an automated interface system between the TPA and Los Angeles County Employees Retirement Association (LACERA) to prevent overpayments arising from employee retirement.

FY 2007-08 Objectives

- Launch a more aggressive informational campaign of written correspondence and verbal presentations to inform employees of the plans' most critical rules and requirements.
- Enhance the claims processing monitoring system to ensure TPA follow-up on claims requiring special handling in the event of the death, rehabilitation, or other extraneous circumstance.

OCCUPATIONAL HEALTH PROGRAMS

The CEO Occupational Health Programs' (CEO/OHP) mission is:

To protect the health of County of Los Angeles employees, and by extension, the health and safety of the public they serve; and, to minimize the adverse effects of employee illness and injury on County departments.

This is accomplished through a number of functions:

- Pre-placement medical evaluations;
- Employee medical evaluations;
- Fitness For Life! program;
- Drug and alcohol program;
- Medical/Psychological re-evaluations; and,
- Employee Assistance Program.

Pre-Placement Medical Evaluations – In accordance with the Federal Americans with Disabilities Act and the State's Fair Employment and Housing Act, the testing protocols used in pre-placement medical evaluations have been designed to include only those components that are job-related. Consistent with fair employment laws, each applicant is evaluated on an individualized basis, utilizing the best available medical evidence.

Employee Medical Evaluations – CEO continues to monitor certain employees after hire through the administration of the following disease surveillance and fitness-for-duty programs:

- Asbestos Worker's Medical Surveillance Program;
- Class A/B Drivers' Fitness Evaluation;
- Confined Space Entry Fitness Evaluation;
- Deputy Sheriff Bicycle Patrol Fitness Evaluation;
- Deputy Sheriff Clandestine Lab Team Medical;
- Deputy Sheriff FBI Bomb School Participant;
- Diver's Fitness Evaluation;
- Hazmat Team Member Evaluation;
- Hearing Conservation Evaluation;
- Lead Surveillance Evaluation; and,
- Respirator User's Evaluation.

Fitness For Life! Program – The Fitness For Life! Program, formerly Fire Wellness, seeks to promote health by offering employees a comprehensive annual package of medical testing including cardiac stress testing. During this fiscal year, eligibility for program participation was broadened to include not only Firefighters, but also Foresters, Ocean Lifeguards, Rescue Boat Captains, Fire Pilots, and Lake Lifeguards (Department of Parks and Recreation). The number of evaluations in the program increased almost 50% from 1,937 in FY 2005-06 to 2,880 in FY 2006-07.

Drug and Alcohol Program – CEO administers programs for the drug and alcohol testing of truck and ambulance drivers, high risk crafts positions, and for new hires and employees defined as commercial drivers by the Federal Department of Transportation or in safety-sensitive positions.

Medical/Psychological Re-Evaluations – If a County employee's job performance deteriorates and department management believes this deterioration may be caused by physical and emotional problems, the department may request CEO to perform an employee medical or psychological re-evaluation pursuant to County Civil Service Rules.

Employee Assistance Program – CEO manages the County's Employee Assistance Program (EAP). The EAP provides all County employees and their families access to confidential assessment, counseling, and referral services for personal issues that may impact an employee's job performance. EAP clinicians provide departments training to recognize the existence of employee problems and to initiate appropriate referral to the EAP. In addition, the clinicians offer a variety of training workshops to assist County departments in developing and maintaining a productive workforce.

FY 2006-07 Accomplishments

- Responded to the medical and psychological examination needs of County departments. Table 7 provides FY 2004-05 through FY 2006-07 CEO/OHP output measures.

Table 7: CEO/OHP output

Service Provided	FY 2004-05	FY 2005-06	FY 2006-07
Medical Appeals	20	41	87
Applicant Medical Examinations	6,357	9,154	9,901
Employee Medical Examinations	5,317	4,787	5,361
Subpoenas/Records Requests	343	214	167
Psychological Appeals	55	59	76
EAP Counseling Sessions	570	605	560
EAP Telephone Sessions	999	935	479
EAP Training Sessions	138	102	56
Employees Trained by EAP	4,614	3,067	1,723

- Completed the training of a full-time staff physician.
- Added orthopedic and podiatric specialists to the CEO's panel of consultants to provide medical consultations on pre-placement cases. Eleven orthopedic consultations and twenty-two podiatric consultations were completed.

- Updated and revised the Clinical Practice Guidelines for Employee Medical Evaluations and the Fitness for Life! program.
- Tracked medical data to ensure sufficient information is provided to assess the effectiveness of reducing the risk of future coronary disease in employees participating in the Fitness for Life! program.
- Began in-house pre-placement psychological screening for Mental Health Peer Advocates.

Objectives for FY 2007-08

- In collaboration with CEO Return-to-Work, CEO Information Technology Services, and Internal Services Department, develop and implement a shared database to replace the existing system for tracking medical testing and employee work restrictions. Utilizing that technology, develop and implement new administrative processes for improved efficiencies and reporting.
- Update and revise the Pre-Placement Clinical Practice Guidelines, and the guidelines for Clinical Testing Procedures.
- Hire and train a second full-time staff physician.

LOSS CONTROL AND PREVENTION

The mission of the CEO Loss Control and Prevention Section is:

To ensure a safe and healthful environment for County of Los Angeles employees, visitors, and citizens; and, to minimize the County's Cost of Risk.

This is accomplished through a number of strategies:

- Identify County departments' operational risk exposures and cost drivers;
- Provide loss control consulting to departments to improve their programs, procedures, and policies relating to their risks and cost drivers;
- Establish County loss control and prevention standards and assist departments to implement and attain them; and,
- Encourage departments to focus attention on "cost driver" issues and develop best practice methods to measure them.

On a Countywide basis, departments will be asked to focus on:

- Addressing issues driving workers' compensation and tort liability costs, including vehicle, general, employment practices, and medical malpractice liability costs;
- Prioritizing and implementing loss control and prevention recommendations using department risk and needs assessments;
- Improving accident investigations and determining root causes of accidents; and,
- Enhancing Corrective Action Plans (CAPs) and loss control and prevention activities to address the root causes of accidents.

The leading causes of County workers' compensation claims are:

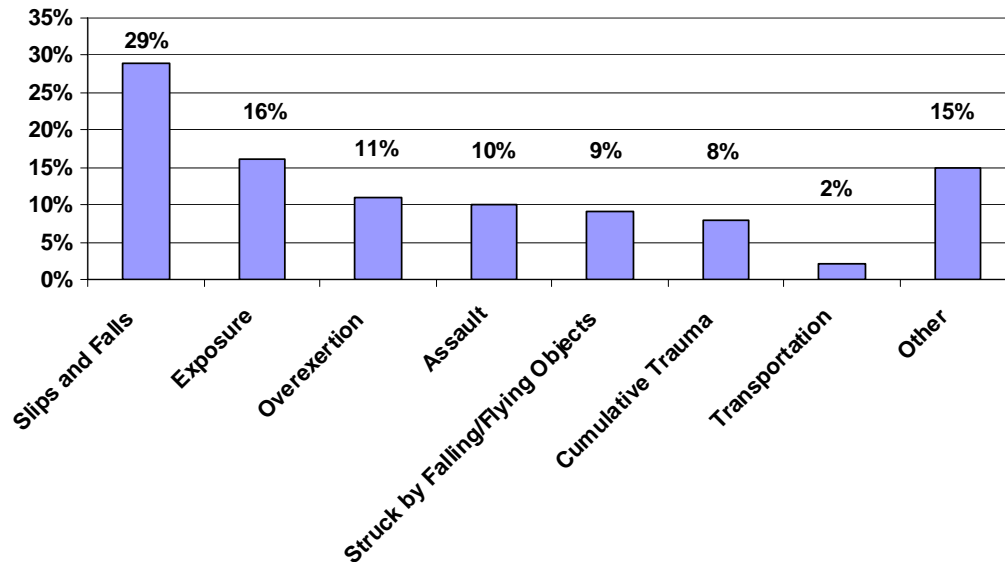
1. Slips and falls;
2. Exposure;
3. Overexertion (lifting, carrying, pushing, pulling);
4. Assaults;
5. Struck by falling/flying objects;
6. Cumulative trauma;
7. Vehicle accidents (transportation); and,
8. Other (including emotional, cardiovascular, rubbed by/against, caught in/between).*

* "Rubbed by/against" includes abrasions and foreign objects in the eye; "Caught in/between" involves pinch points, such as pinching fingers in a door.

The causes for these types of claims are being evaluated on a department-by-department basis. Figure 10 illustrates the major causes of FY 2006-07 workers' compensation claims and Figure 11 illustrates the cost breakdown of the FY 2006-07 major causes of claims.

Figure 10: Major causes of workers' compensation claims by frequency

**County of Los Angeles Major Causes of Workers' Compensation Claims by Frequency
FY 2006-07**

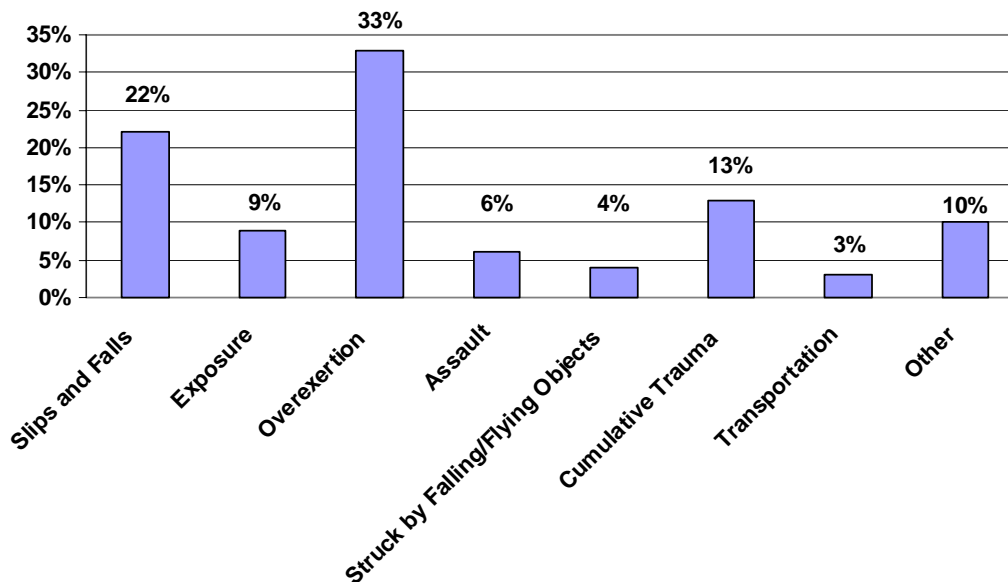


Note:

1. "Other" category includes emotional, cardiovascular, rubbed by/against, and caught in/between.

Figure 11: Major causes of workers' compensation claims by incurred cost

**County of Los Angeles Major Causes of Workers' Compensation Claims by Incurred Cost
FY 2006-07**



Note:

1. "Other" category includes emotional, cardiovascular, rubbed by/against, and caught in/between.

CEO efforts are essential to ensure the safety of County employees, visitors, and citizens, and minimize the County's Cost of Risk. CEO continues to work with its departmental contacts to address issues and implement improvements.

FY 2006-07 Accomplishments

- Instituted a 40-hour training program, *Introduction to Occupational Safety and Health*, to enhance the skills and capabilities of personnel assigned to implement and maintain their department's loss control and prevention programs. This program teaches the basics of workplace safety, health, loss control and risk management. It establishes the foundation on which departments administer their risk management programs.
- In collaboration with CEO/RMIG, a CAP review program was established in CEO/LCP to review the implementation status of departmental CAPs. For any claim or lawsuit over \$100,000, this CAP review commences six months after Board of Supervisors (Board) approval to settle the claim or lawsuit. One year after the settlement (and every year thereafter), CEO/LCP again follows up to determine if progress has been made in completing the implementation of the CAP steps.
- Modified the California Department of Motor Vehicles (DMV) Employer Pull Notice Program to streamline departmental notification of changes in their employees' driving status. Large departments who were not administering their own programs previously were encouraged and empowered by CEO to establish their own Employer Pull Notice Program with the DMV. In this way, each department has direct knowledge of the driver's license status of enrolled employees who drive for the County and can take immediate action when problems with driver's license status arise.

FY 2007-08 Objectives

- Continue to update loss control and prevention information in the *Risk and Needs Assessment* documents and consult with other CEO/RMB staff to further expand subject areas beyond loss control and prevention.
- Monitor the implementation of the Countywide facility evaluation program mandated by Board order.
- Create a committee of department safety officers as a forum for discussing common loss prevention and risk management issues.
- In collaboration with CEO/RMIG, continue to assess the implementation status of existing CAPs and provide assistance to departments on the development of new CAPs.
- Continue to focus CEO efforts on "cost driver" issues by assisting departments to implement an aggressive loss control and prevention program.

PERFORMANCE COUNTS!

Table 8: CEO/RMB *Performance Counts!* program performance measures

Performance Measures ¹	Actual FY 2004-05	Actual FY 2005-06	Actual FY 2006-07	Projected FY 2007-08
Indicators				
Liability loss and adjustment expense as a percent of total County operating budget	0.36%	0.36%	0.44%	0.40%
Workers' compensation loss and adjustment expense as a percent of the total County operating budget	1.47%	1.33%	1.29%	1.30%
Percent change of Cal/OSHA citations regarding occupational hazards based on a three-year calendar rolling average	-25.2%	-31.0%	-29.5%	-10.0%
Operational Measures				
Number of training sessions for departmental Risk Management Coordinators	4	3	3	4
Number of workers' compensation open claims	24,526	24,875	24,217	25,000
Number of employee and applicant pre-placement and periodic examinations	11,674	13,941	15,262	16,000
Number of loss control and prevention consultations provided to County departments to identify risk mitigation and control opportunities	579	372	516	600
Number of Return-to-Work training sessions conducted for line supervisors	44	64	24	30
Number of psychological consultations and referrals	707	725	748	800

STATISTICS, FY 2006-07

Total Cost Paid – All Claims.....	Exhibit A
All Claims Count and Cost Summary.....	Exhibit B
Total Number of Claims Filed.....	Exhibit C
Workers’ Compensation Claim Count and Cost Summary.....	Exhibit D
Vehicle Liability Claim Count and Cost Summary.....	Exhibit E
General Liability Claim Count and Cost Summary.....	Exhibit F
Medical Malpractice Claim Count and Cost Summary.....	Exhibit G
State of California Labor Code 4850 and Salary Continuation Cost Summary.....	Exhibit H
Cluster – Department List.....	Exhibit I



Exhibit A: Fiscal year comparison of total cost paid, regardless of date of occurrence

**County of Los Angeles Total Cost Paid – All Claims
FY 2004-05 through FY 2006-07**

Fiscal Year	Vehicle Liability	General Liability	Medical Malpractice	Workers' Compensation	Labor Code 4850 and Salary Continuation	Grand Total
FY 2004-05	\$7,884,433	\$37,349,129	\$16,181,045	\$272,735,278	\$49,394,293	\$383,544,178
FY 2005-06	\$6,742,230	\$44,490,645	\$15,256,824	\$263,053,690	\$42,256,919	\$371,800,308
FY 2006-07	\$10,070,852	\$52,118,253	\$22,269,935	\$279,991,751	\$43,007,829	\$407,458,620

Notes:

1. Data do not include unemployment costs.
2. Data include pending and non-jurisdictional departments, but do not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information includes County Counsel tort claims.
3. Amount Paid is the total of the transactions paid by coverage code in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of occurrence date; does not include RBNP or IBNR reserves.
4. Workers' compensation paid does not reflect State of California Labor Code 4850 or salary continuation payments.

**County of Los Angeles Percentage of Total Cost Paid by Claim Type
FY 2006-07**

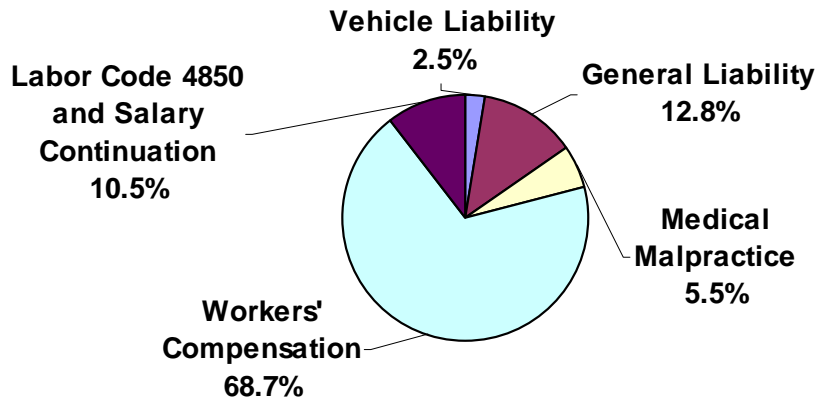


Exhibit B: All claims count and cost summary

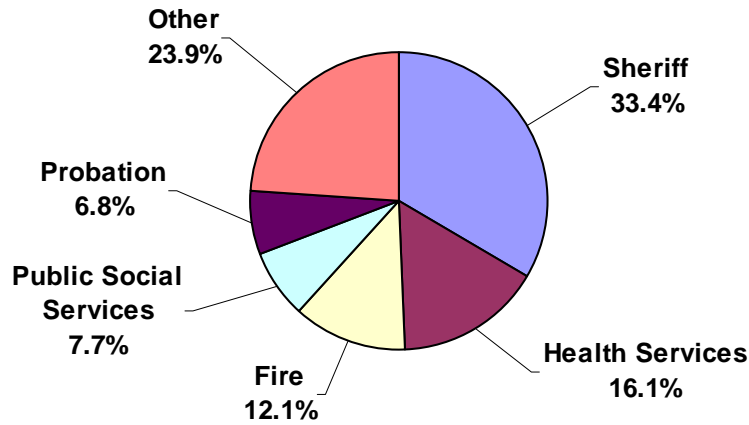
County of Los Angeles All Claims Count and Cost Summary

Department	FY 2004-05		FY 2005-06		FY 2006-07	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action	2	\$91,114	2	\$79,223	2	\$31,593
Agricultural Commissioner/Weights and Measures	77	\$763,243	48	\$877,009	52	\$946,489
Alternate Public Defender	10	\$277,419	14	\$367,620	7	\$946,767
Animal Care and Control	98	\$1,633,041	156	\$1,219,672	127	\$779,413
Assessor	45	\$1,371,403	46	\$1,223,803	50	\$1,483,068
Auditor-Controller	83	\$440,005	107	\$436,097	34	\$823,301
Beaches and Harbors	39	\$575,638	47	\$952,042	26	\$595,299
Board of Supervisors	45	\$519,248	26	\$910,802	15	\$679,732
Chief Executive Officer	15	\$1,145,530	12	\$1,294,375	19	\$670,849
Chief Information Officer	0	\$11,792	0	\$7,643	0	\$3,523
Child Support Services	138	\$3,794,778	121	\$2,891,978	111	\$3,514,675
Children and Family Services	554	\$16,580,740	484	\$15,619,748	463	\$17,846,546
Community and Senior Services	29	\$1,068,734	18	\$935,539	19	\$860,131
Consumer Affairs	4	\$56,318	2	\$49,033	1	\$57,943
Coroner	63	\$711,797	59	\$999,407	68	\$960,421
County Counsel	22	\$1,170,231	16	\$660,189	19	\$645,079
District Attorney	142	\$6,175,523	155	\$5,361,632	132	\$6,342,766
Fire	1,480	\$46,943,405	1,495	\$45,023,040	1,470	\$49,427,715
Health Services	1,834	\$62,788,247	1,873	\$58,314,071	1,813	\$65,762,927
Human Relations Commission	0	\$346	2	\$5,712	0	\$970
Human Resources	9	\$382,084	7	\$150,949	8	\$282,057
Internal Services	239	\$5,989,361	183	\$2,011,425	147	\$6,126,380
LACERA	14	\$402,237	9	\$547,016	7	\$471,356
Mental Health	211	\$4,498,267	225	\$5,369,763	203	\$5,732,342
Military and Veterans Affairs	3	\$48,055	5	\$87,777	1	\$54,452
Museum of Art	9	\$121,363	9	\$161,665	4	\$167,347
Museum of Natural History	9	\$213,826	2	\$114,061	4	\$103,660
Non-Jurisdictional	360	\$218,925	325	\$148,933	346	\$261,290
Office of Public Safety	85	\$4,146,174	103	\$3,321,613	114	\$4,470,547
Ombudsman	1	\$0	0	\$0	1	\$0
Parks and Recreation	295	\$3,823,409	299	\$3,117,869	302	\$6,396,297
Pending Assignment	4	\$2,155	18	\$3,132	35	\$18,265
Probation	723	\$27,631,153	834	\$24,992,195	774	\$27,741,597
Public Defender	74	\$1,778,086	66	\$1,752,386	52	\$1,280,273
Public Health	232	\$6,513,467	221	\$7,303,169	252	\$7,675,253
Public Library	54	\$1,434,243	55	\$951,484	73	\$842,599
Public Social Services	1,023	\$30,650,634	855	\$30,380,755	822	\$31,392,311
Public Works	1,250	\$10,777,820	1,045	\$13,873,938	939	\$14,153,206
Regional Planning	2	\$92,784	9	\$116,788	9	\$56,376
Registrar-Recorder/County Clerk	88	\$1,296,144	74	\$1,871,188	100	\$1,221,590
Sheriff	5,220	\$125,038,982	5,591	\$127,504,559	5,456	\$135,974,538
Superior Court	299	\$11,741,249	291	\$10,003,497	257	\$9,909,793
Treasurer and Tax Collector	41	\$625,205	40	\$787,519	31	\$747,881
Total⁴	14,818	\$383,544,175	14,801	\$371,800,316	14,121	\$407,458,617

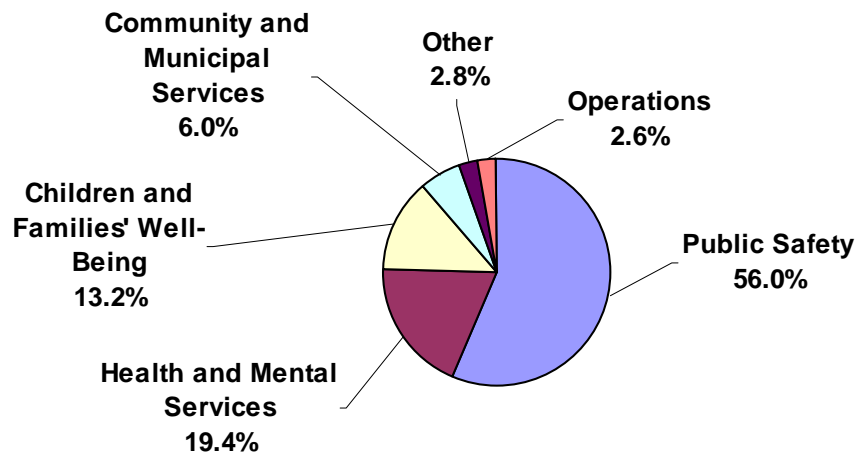
Notes:

1. Amount Paid is the total of the transactions paid by coverage code in the fiscal year regardless of occurrence date plus amounts paid for workers' compensation from the WCTF report. Amount Paid includes indemnity, legal fees and expenses. Does not include RBNP or IBNR reserves. Workers' compensation paid does not reflect State of California Labor Code 4850 or salary continuation payments. Data do not include unemployment costs.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information does include County Counsel tort files. County Counsel expenditures are included.
3. Amounts valued as of June 30, 2007.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

County of Los Angeles Percentage of All Claims Cost Paid by Department
FY 2006-07



County of Los Angeles Percentage of All Claims Cost Paid by Cluster
FY 2006-07



Notes:

1. "Other" category includes claims coded to Chief Executive Office, LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.
2. See Exhibit I for a breakdown of departments by cluster.

Exhibit C: Fiscal year comparison of total number of claims filed by type

**County of Los Angeles Total Number of Claims Filed by Claim Type
FY 2004-05 through FY 2006-07**

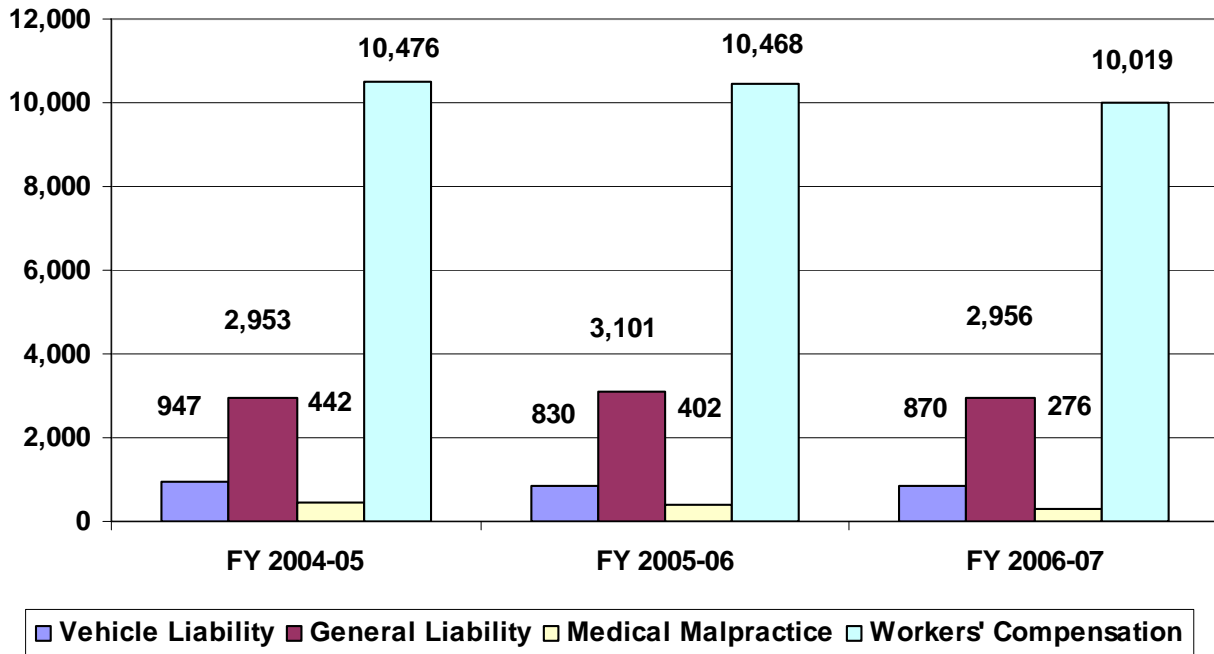
Claim Type^{1,2}	FY 2004-05	FY 2005-06	FY 2006-07
Vehicle Liability	947	830	870
General Liability	2,953	3,101	2,956
Medical Malpractice	442	402	276
Workers' Compensation	10,476	10,468	10,019
Grand Total	14,818	14,801	14,121

Notes:

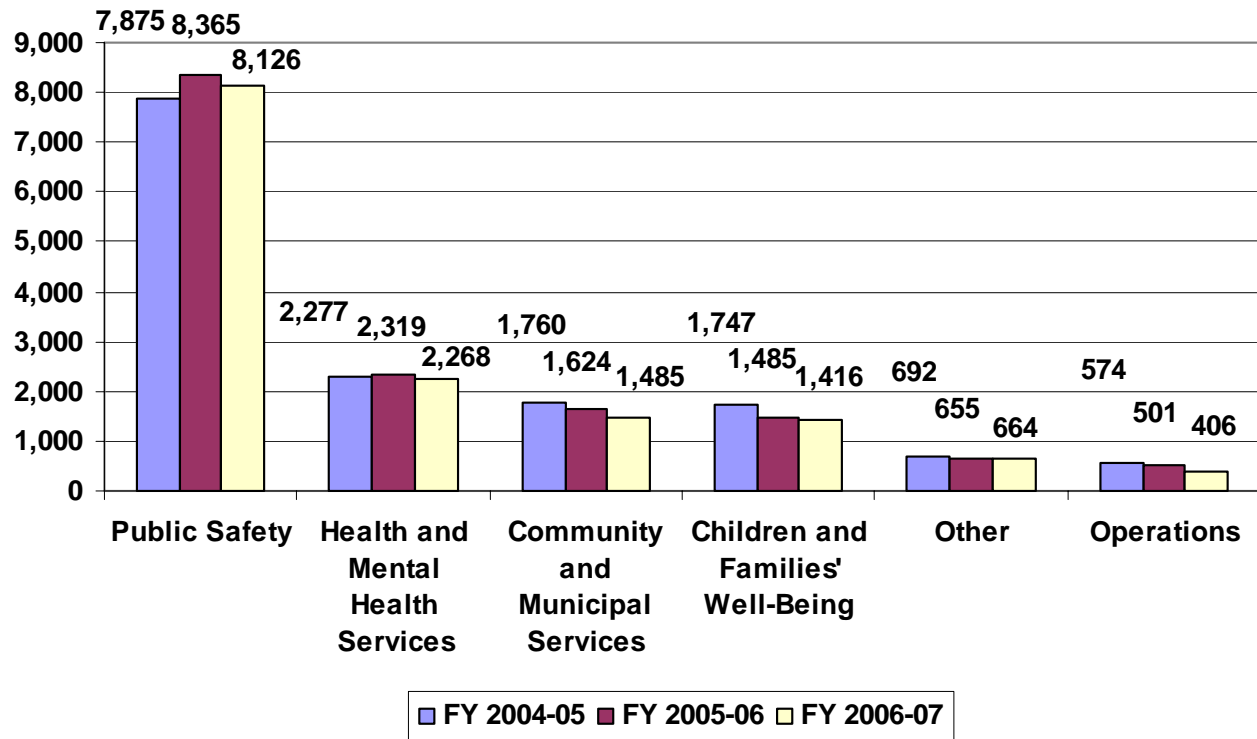
1. Total number of claims filed by fiscal year regardless of date of occurrence; count includes all suffixes.

2. Includes County Counsel tort claims, but not agencies that are not County departments, i.e. MTA, Foothill Transit, etc.

**County of Los Angeles Total Number of Claims Filed by Claim Type
FY 2004-05 through FY 2006-07**



**County of Los Angeles Total Number of Claims Filed by Cluster
FY 2004-05 through FY 2006-07**



Notes:

1. "Other" category includes claims coded to Chief Executive Office, LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.
2. The total number of claims by cluster does not add up to the sum of claims since some claims are allocated to multiple clusters; count includes all suffixes.
3. See Exhibit I for a breakdown of departments by cluster.

Exhibit D: Fiscal year comparison of workers' compensation claims and cost

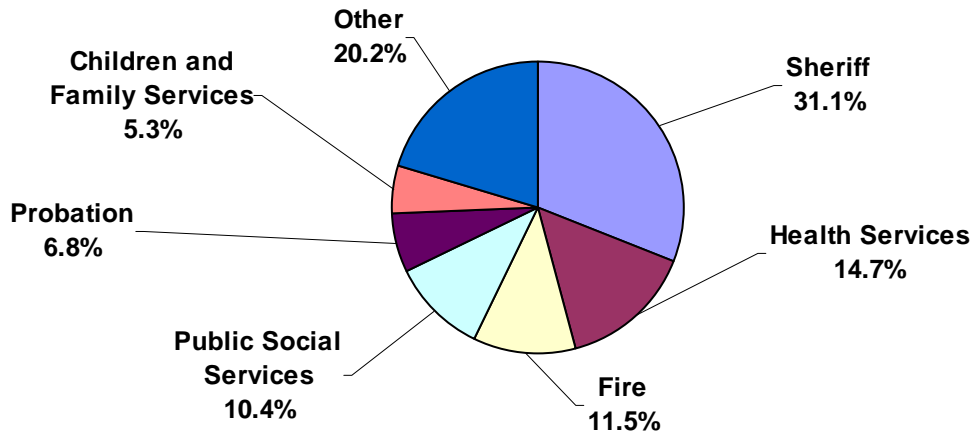
**County of Los Angeles Workers' Compensation Claim Count and Cost Summary
FY 2004-05 through FY 2006-07**

Department	FY 2004-05		FY 2005-06		FY 2006-07	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action	2	\$69,868	1	\$78,907	2	\$23,673
Agricultural Commissioner/Weights and Measures	35	\$578,861	28	\$789,302	34	\$880,361
Alternate Public Defender	7	\$90,106	8	\$52,153	4	\$84,083
Animal Care and Control	81	\$765,583	147	\$818,607	110	\$553,675
Assessor	36	\$1,316,284	34	\$1,090,419	43	\$1,383,476
Auditor-Controller	20	\$378,045	8	\$349,192	17	\$430,764
Beaches and Harbors	24	\$479,859	23	\$578,635	11	\$446,697
Board of Supervisors	13	\$178,773	8	\$195,220	4	\$254,034
Chief Executive Officer	10	\$337,752	6	\$291,668	7	\$471,557
Chief Information Officer	0	\$6,991	0	\$7,643	0	\$3,523
Child Support Services	96	\$3,357,154	97	\$2,585,889	94	\$3,116,813
Children and Family Services	376	\$13,057,672	330	\$12,023,120	344	\$15,020,425
Community and Senior Services	19	\$682,415	15	\$770,729	16	\$680,532
Consumer Affairs	2	\$33,485	2	\$48,959	1	\$34,376
Coroner	33	\$621,163	30	\$864,929	33	\$663,801
County Counsel	15	\$523,306	13	\$356,320	15	\$473,924
District Attorney	76	\$4,717,926	70	\$4,345,930	67	\$5,297,821
Fire	1,318	\$31,173,765	1,352	\$29,900,243	1,282	\$32,122,194
Health Services	1,266	\$43,685,361	1,372	\$39,422,437	1,317	\$41,112,183
Human Relations Commission	0	\$346	1	\$5,712	0	\$970
Human Resources	7	\$272,701	3	\$148,330	4	\$279,368
Internal Services	144	\$5,140,649	129	\$4,784,583	104	\$5,530,406
LACERA	14	\$346,376	9	\$546,104	7	\$459,001
Mental Health	155	\$3,554,625	165	\$4,033,962	139	\$3,737,740
Military and Veterans Affairs	3	\$48,055	5	\$59,168	0	\$41,813
Museum of Art	6	\$121,279	4	\$160,834	0	\$157,347
Museum of Natural History	6	\$169,494	2	\$109,813	3	\$103,660
Non-Jurisdictional	0	\$0	0	\$0	0	\$0
Office of Public Safety	72	\$3,033,480	81	\$2,473,130	93	\$3,157,318
Ombudsman	1	\$0	0	\$0	1	\$0
Parks and Recreation	210	\$2,624,631	203	\$2,513,398	215	\$3,104,189
Pending Assignment	0	\$0	4	\$0	20	\$0
Probation	675	\$18,307,890	789	\$16,877,566	706	\$19,011,659
Public Defender	53	\$1,059,205	48	\$1,136,237	31	\$1,030,051
Public Health	212	\$5,807,409	186	\$5,794,066	218	\$6,248,309
Public Library	41	\$1,000,309	49	\$691,961	62	\$789,065
Public Social Services	985	\$28,670,425	819	\$28,029,562	789	\$29,154,403
Public Works	305	\$5,863,824	321	\$5,964,768	260	\$5,985,284
Regional Planning	2	\$37,093	5	\$115,761	4	\$43,449
Registrar-Recorder/County Clerk	67	\$1,004,889	67	\$1,483,195	71	\$1,056,660
Sheriff	3,764	\$82,231,788	3,726	\$83,789,003	3,623	\$87,055,629
Superior Court	299	\$10,782,774	289	\$9,121,002	255	\$9,332,644
Treasurer and Tax Collector	26	\$603,667	19	\$645,233	13	\$658,874
Total	10,476	\$272,735,278	10,468	\$263,053,690	10,019	\$279,991,751

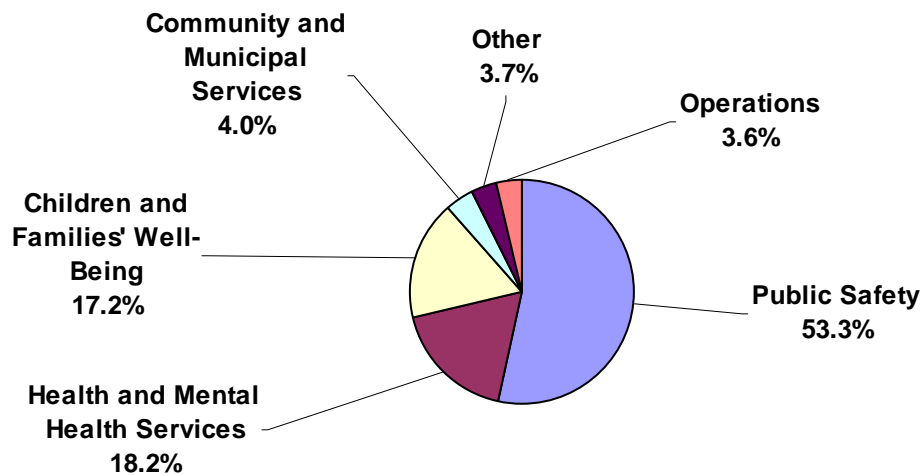
Notes:

1. Amount Paid is the total of the transactions paid for workers' compensation in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves. Workers' compensation paid does not include State of California Labor Code 4850 or salary continuation payments.
2. Amounts as listed on Workers' Compensation Trust Fund Cash Balance Report.
3. Superior Court expenses are billed to the State of California.

**County of Los Angeles Percentage of Workers' Compensation Cost
Paid by Department
FY 2006-07**



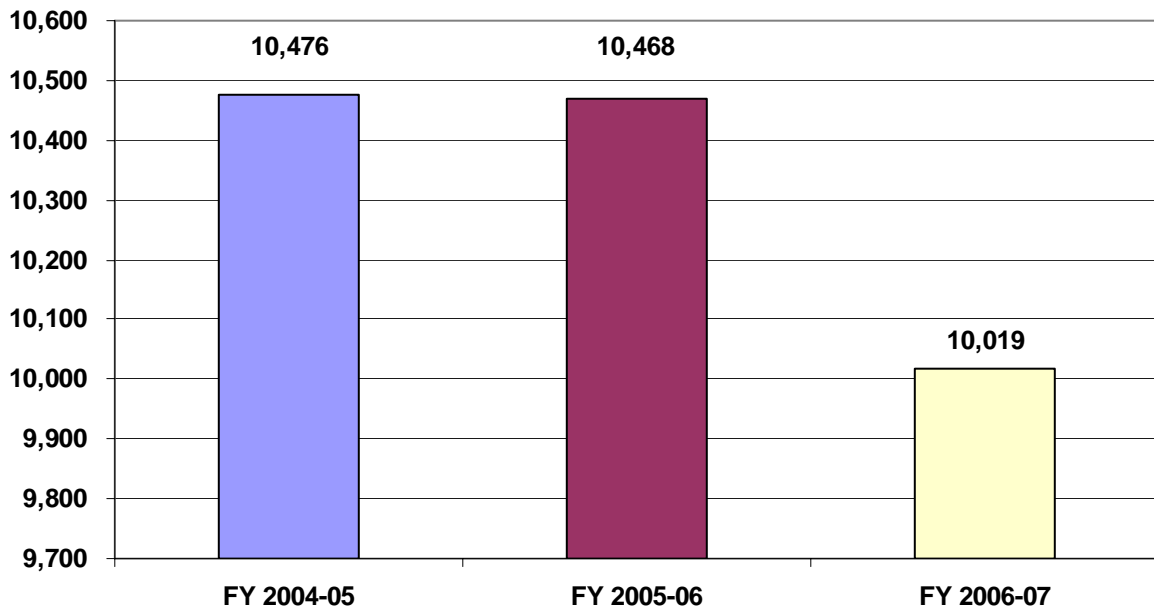
**County of Los Angeles Percentage of Workers' Compensation Cost
Paid by Cluster
FY 2006-07**



Notes:

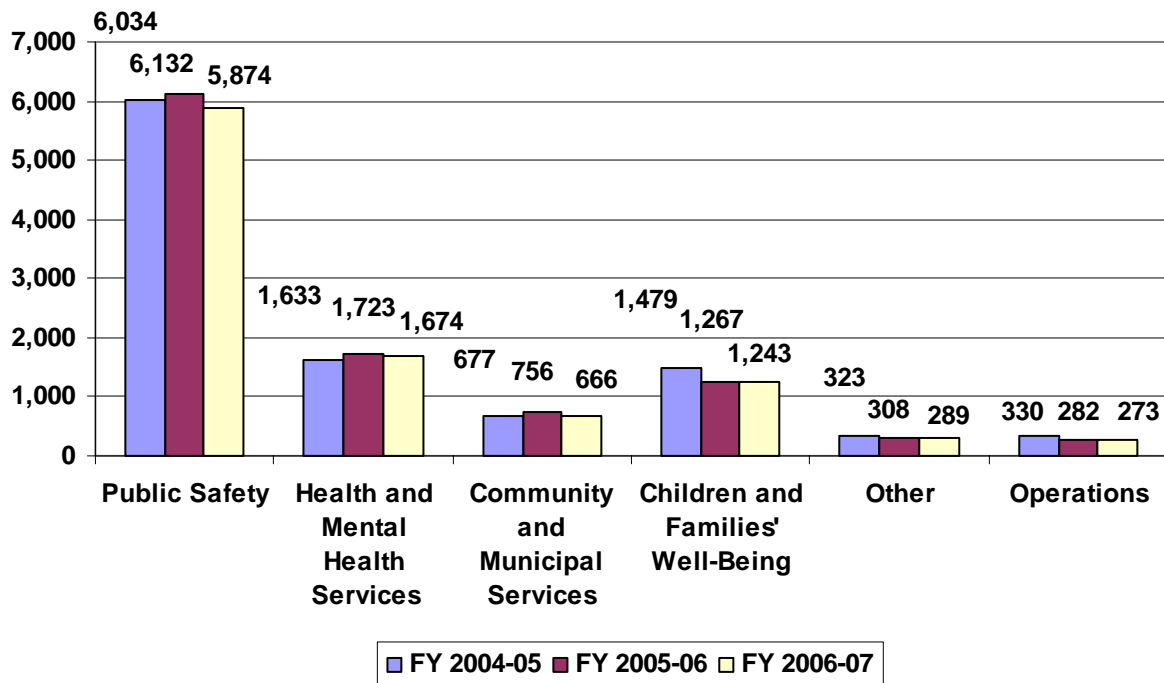
1. "Other" category includes claims coded to Chief Executive Office, LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.
2. See Exhibit I for a breakdown of departments by cluster.

**County of Los Angeles Number of Workers' Compensation Claims
FY 2004-05 through FY 2006-07**



Workers' compensation claim frequency decreased 4% from FY 2005-06 to FY 2006-07.

**County of Los Angeles Number of Workers' Compensation Claims by Cluster
FY 2004-05 through FY 2006-07**



Notes:

1. "Other" category includes claims coded to Chief Executive Office, LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.
2. See Exhibit I for a breakdown of departments by cluster.

Exhibit E: Fiscal year comparison of vehicle liability claims and cost

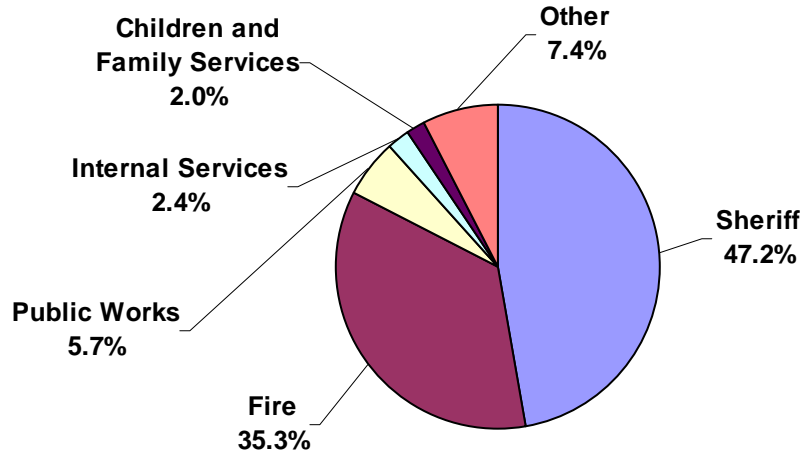
**County of Los Angeles Vehicle Liability Claim Count and Cost Summary
FY 2004-05 through FY 2006-07**

Department	FY 2004-05		FY 2005-06		FY 2006-07	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action	0	\$0	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	10	\$53,761	12	\$68,034	10	\$35,040
Alternate Public Defender	1	\$7,739	3	\$11,077	0	\$0
Animal Care and Control	3	\$673,708	2	\$12,643	3	\$1,031
Assessor	4	\$13,075	3	\$15,127	2	\$1,653
Auditor-Controller	2	\$10,602	2	\$13,454	1	\$7,685
Beaches and Harbors	4	\$799	6	\$5,154	1	\$4,604
Board of Supervisors	5	\$9,315	5	\$199	7	\$10,886
Chief Executive Officer	2	\$435	0	\$0	4	\$831
Chief Information Officer	0	\$0	0	\$0	0	\$0
Child Support Services	2	\$2,712	0	\$140	1	\$413
Children and Family Services	55	\$159,555	48	\$137,681	46	\$204,072
Community and Senior Services	4	\$10,714	0	\$0	1	\$3,094
Consumer Affairs	0	\$0	0	\$0	0	\$0
Coroner	4	\$8,609	1	\$115	15	\$2,253
County Counsel	2	\$309	0	\$17	0	\$0
District Attorney	10	\$49,524	3	\$40,042	10	\$112,071
Fire	116	\$1,182,343	107	\$1,132,032	127	\$3,556,897
Health Services	25	\$37,755	19	\$19,582	14	\$78,277
Human Relations Commission	0	\$0	0	\$0	0	\$0
Human Resources	0	\$0	0	\$0	2	\$1,203
Internal Services	54	\$248,334	29	\$316,999	19	\$240,769
LACERA	0	\$0	0	\$0	0	\$0
Mental Health	28	\$90,750	13	\$130,386	12	\$115,282
Military and Veterans Affairs	0	\$0	0	\$0	0	\$0
Museum of Art	0	\$0	0	\$0	0	\$0
Museum of Natural History	0	\$0	0	\$0	1	\$0
Non-Jurisdictional	73	\$6,898	74	\$6,611	55	\$27,200
Office of Public Safety	0	\$129,283	8	\$14,817	14	\$9,216
Ombudsman	0	\$0	0	\$0	0	\$0
Parks and Recreation	22	\$795,221	30	\$68,888	31	\$81,054
Pending Assignment	1	\$35	10	\$1,580	8	\$6,383
Probation	16	\$78,548	11	\$34,717	14	\$32,458
Public Defender	4	\$15,008	3	\$58,007	5	\$30,439
Public Health	12	\$82,217	14	\$190,455	19	\$81,927
Public Library	10	\$7,076	2	\$32,221	2	\$8,273
Public Social Services	7	\$151,000	13	\$88,448	10	\$63,328
Public Works	151	\$417,455	112	\$404,117	104	\$577,178
Regional Planning	0	\$0	0	\$0	0	\$0
Registrar-Recorder/County Clerk	10	\$16,998	1	\$8,520	3	\$27,464
Sheriff	314	\$3,624,655	299	\$3,931,167	330	\$4,749,871
Superior Court	0	\$0	0	\$0	0	\$0
Treasurer and Tax Collector	0	\$0	0	\$0	0	\$0
Total⁴	947	\$7,884,433	830	\$6,742,230	870	\$10,070,852

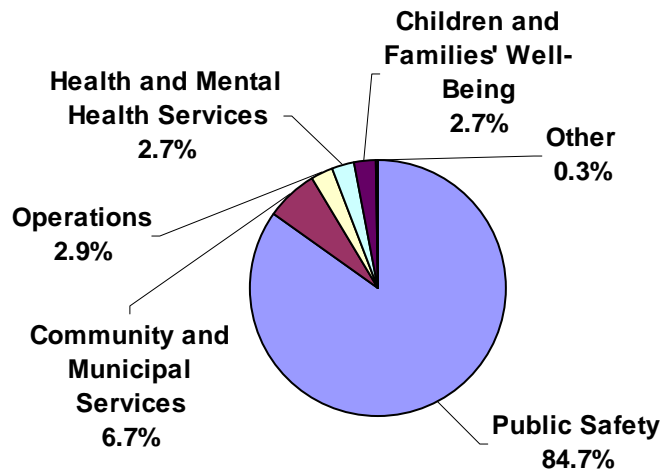
Notes:

1. Amount Paid is the total of the transactions paid for vehicle liability claims and lawsuits in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts do not include non-insured and non-third party vehicle losses which are directly paid by the departments. Amounts valued as of June 30, 2007.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

County of Los Angeles Percentage of Vehicle Liability Cost Paid by Department
FY 2006-07



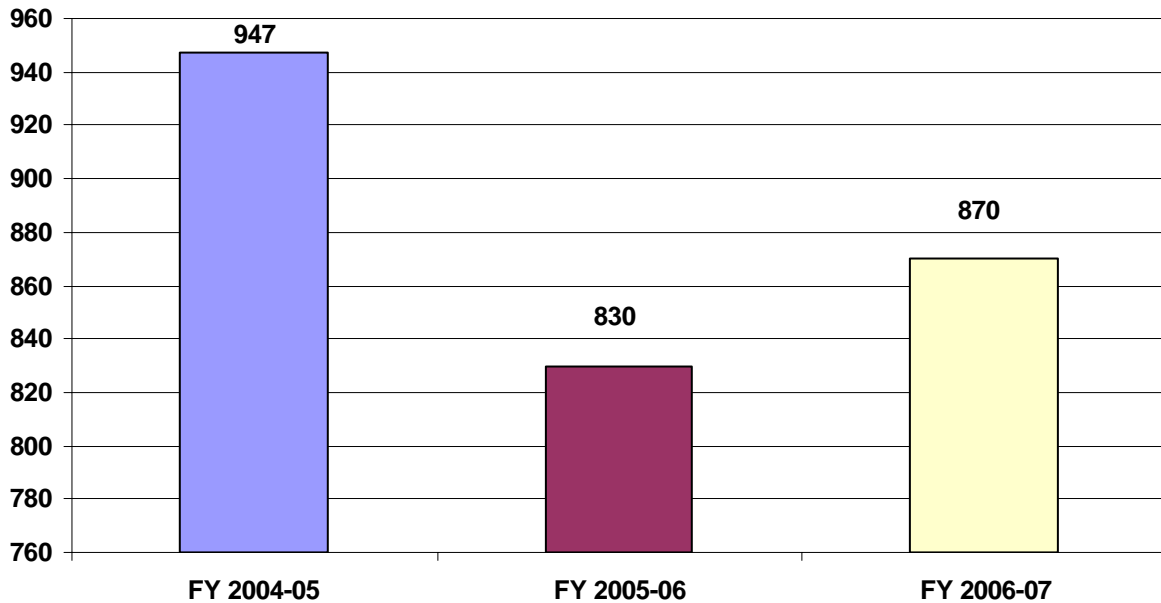
County of Los Angeles Percentage of Vehicle Liability Cost Paid by Cluster
FY 2006-07



Notes:

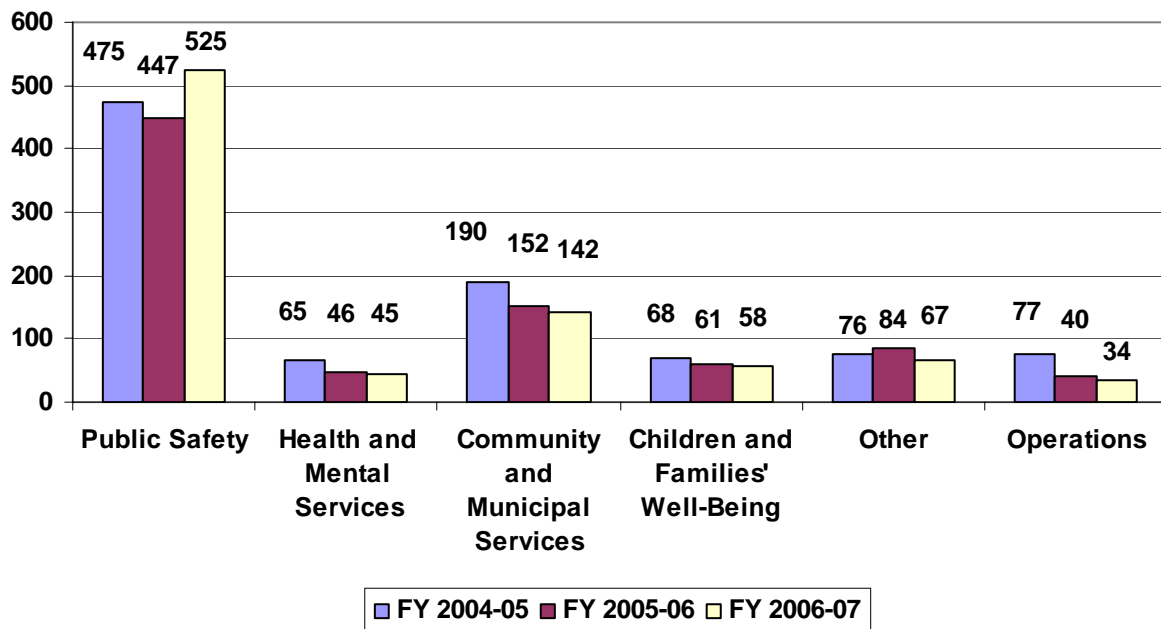
1. "Other" category includes claims coded to Chief Executive Office, LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.
2. See Exhibit I for a breakdown of departments by cluster.

**County of Los Angeles Number of Vehicle Liability Claims
FY 2004-05 through FY 2006-07**



Vehicle liability claim frequency increased slightly last year, but frequency still remains below the frequency in FY 2004-05. Much of the reduction in FY 2006-07 occurred in Internal Services Department and Department of Public Works.

**County of Los Angeles Number of Vehicle Liability Claims by Cluster
FY 2004-05 through FY 2006-07**



Notes:

1. The total number of claims by cluster does not add up to the sum of claims since some claims are allocated to multiple clusters; count includes all suffixes.
2. See Exhibit I for a breakdown of departments by cluster.

Exhibit F: Fiscal year comparison of general liability claims and cost

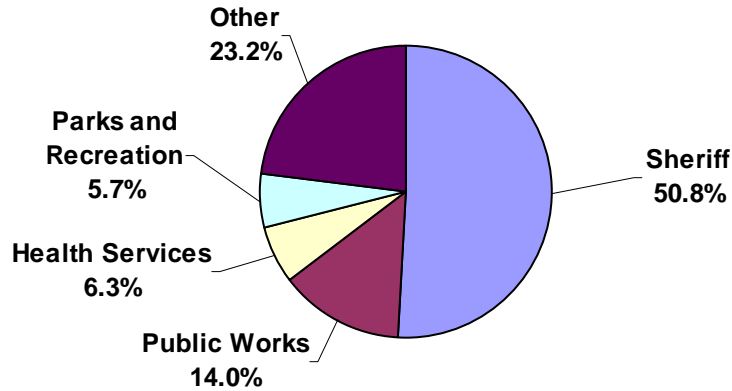
**County of Los Angeles General Liability Claim Count and Cost Summary
FY 2004-05 through FY 2006-07**

Department	FY 2004-05		FY 2005-06		FY 2006-07	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action	0	\$342	1	\$316	0	\$0
Agricultural Commissioner/Weights and Measures	32	\$121,737	8	\$5,333	8	\$1,961
Alternate Public Defender	2	\$179,574	3	\$304,390	3	\$854,722
Animal Care and Control	14	\$42,924	7	\$313,241	14	\$166,363
Assessor	5	\$29,094	9	\$88,394	5	\$81,363
Auditor-Controller	61	\$12,056	97	\$44,822	16	\$368,526
Beaches and Harbors	11	\$50,278	18	\$340,015	14	\$118,177
Board of Supervisors	27	\$330,097	13	\$695,462	4	\$414,813
Chief Executive Officer	3	\$771,535	6	\$1,002,398	8	\$186,131
Chief Information Officer	0	\$352	0	\$0	0	\$0
Child Support Services	40	\$194,633	24	\$189,228	16	\$321,330
Children and Family Services	121	\$2,261,037	101	\$2,955,846	73	\$1,882,094
Community and Senior Services	6	\$332,928	3	\$152,494	2	\$156,093
Consumer Affairs	2	\$19,259	0	\$74	0	\$0
Coroner	11	\$4,953	4	\$49,301	14	\$29,499
County Counsel	5	\$622,013	3	\$302,531	4	\$150,577
District Attorney	54	\$1,143,156	82	\$689,485	55	\$608,867
Fire	37	\$603,317	31	\$493,312	46	\$593,776
Health Services	170	\$2,760,271	175	\$3,129,193	292	\$3,303,030
Human Relations Commission	0	\$0	1	\$0	0	\$0
Human Resources	2	\$104,653	4	\$819	2	\$167
Internal Services	41	\$346,543	25	-\$3,303,517 ⁵	24	\$93,362
LACERA	0	\$0	0	\$0	0	\$0
Mental Health	17	\$519,855	31	\$985,753	29	\$1,661,070
Military and Veterans Affairs	0	\$0	0	\$0	1	\$0
Museum of Art	3	\$84	5	\$596	4	\$10,000
Museum of Natural History	3	\$44,332	0	\$4,248	0	\$0
Non-Jurisdictional	265	\$210,820	236	\$141,708	268	\$233,511
Office of Public Safety	13	\$496,964	14	\$369,415	5	\$1,027,341
Ombudsman	0	\$0	0	\$0	0	\$0
Parks and Recreation	63	\$330,869	66	\$416,583	56	\$2,988,443
Pending Assignment	3	\$2,120	4	\$1,552	7	\$11,882
Probation	32	\$1,223,527	34	\$1,535,527	53	\$886,577
Public Defender	17	\$639,888	15	\$500,361	16	\$167,778
Public Health	4	\$113,335	21	\$891,011	15	\$1,019,428
Public Library	3	\$392,973	4	\$183,177	9	\$10,043
Public Social Services	31	\$265,297	23	\$740,526	23	\$844,992
Public Works	794	\$3,992,632	612	\$6,962,971	575	\$7,271,101
Regional Planning	0	\$55,691	4	\$384	5	\$12,927
Registrar-Recorder/County Clerk	11	\$227,861	6	\$362,065	26	\$83,539
Sheriff	1,105	\$18,872,433	1,480	\$23,803,726	1,463	\$26,483,557
Superior Court	0	\$17,406	2	\$19,337	2	\$96
Treasurer and Tax Collector	15	\$12,290	21	\$118,568	18	\$75,117
Total⁴	2,953	\$37,349,129	3,101	\$44,490,645	2,956	\$52,118,253

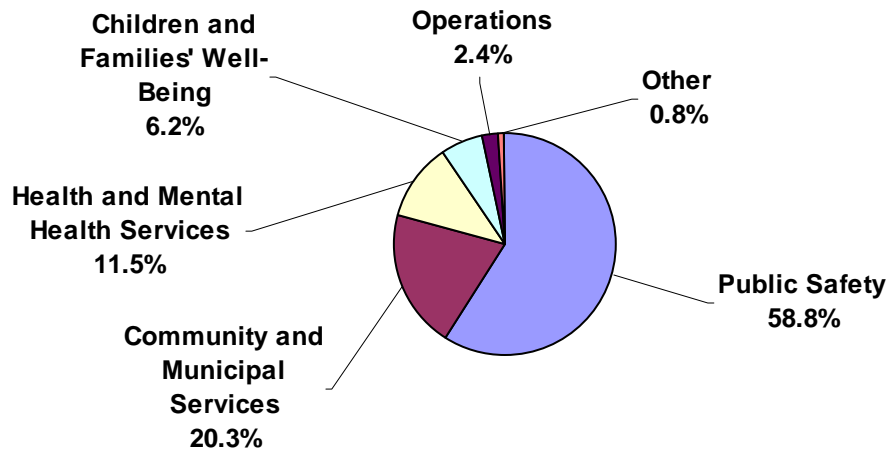
Notes:

1. Amount Paid is the total of the transactions paid for liability claims and lawsuits in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2007.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.
5. FY 2005-06 Amount Paid for Internal Services Department includes the recovery of \$3.9 million on one claim.

**County of Los Angeles Percentage of General Liability Cost Paid by Department
FY 2006-07**



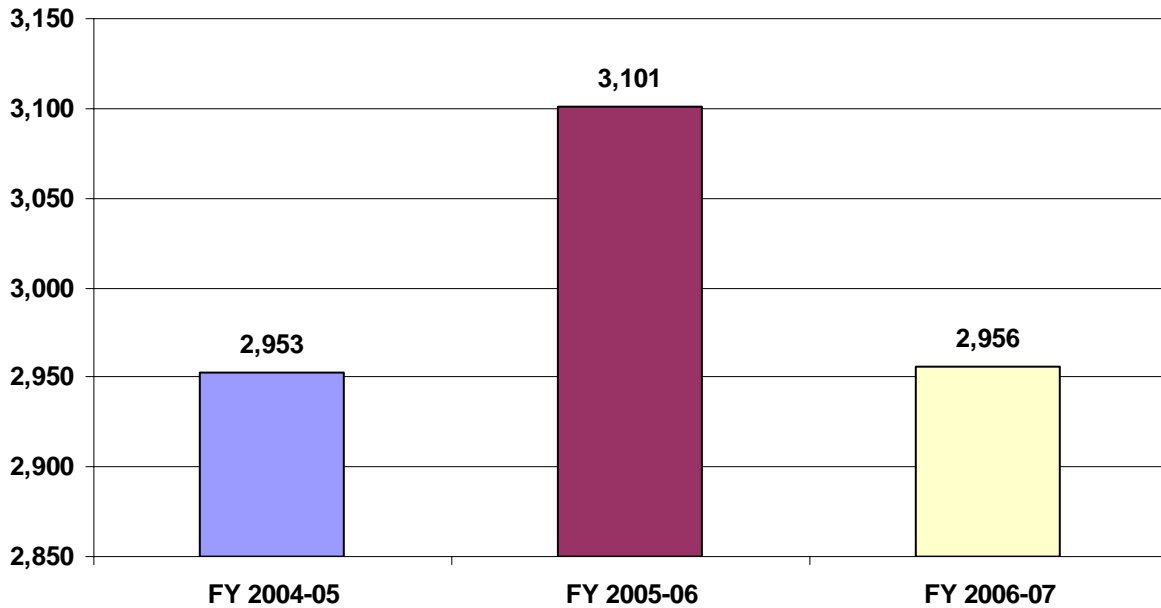
**County of Los Angeles Percentage of General Liability Cost Paid by Cluster
FY 2006-07**



Notes:

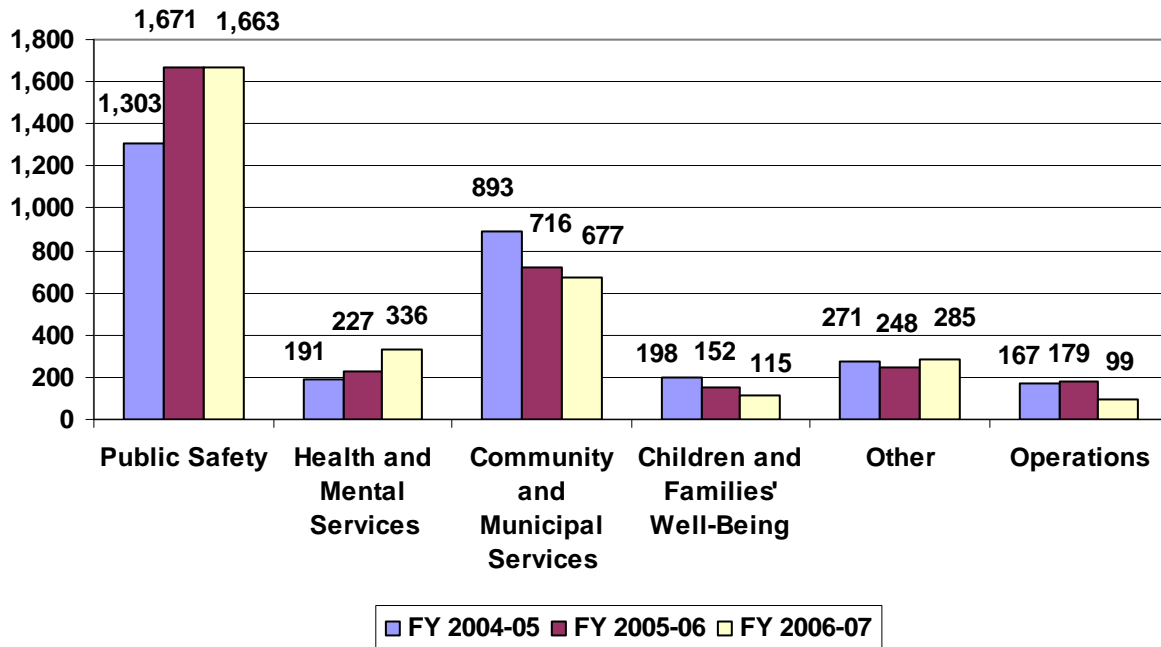
1. "Other" category includes claims coded to Chief Executive Office, LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.
2. See Exhibit I for a breakdown of departments by cluster.

**County of Los Angeles Number of General Liability Claims
FY 2004-05 through FY 2006-07**



General liability claim frequency decreased in FY 2005-06 following an increase in the prior year. The frequency of general liability claims over the three years has been relatively stable.

**County of Los Angeles Number of General Liability Claims by Cluster
FY 2004-05 through FY 2006-07**



Notes:

1. The total number of claims by cluster does not add up to the sum of claims since some claims are allocated to multiple clusters; count includes all suffixes.
2. See Exhibit I for a breakdown of departments by cluster.

Exhibit G: Fiscal year comparison of medical malpractice liability claims and cost

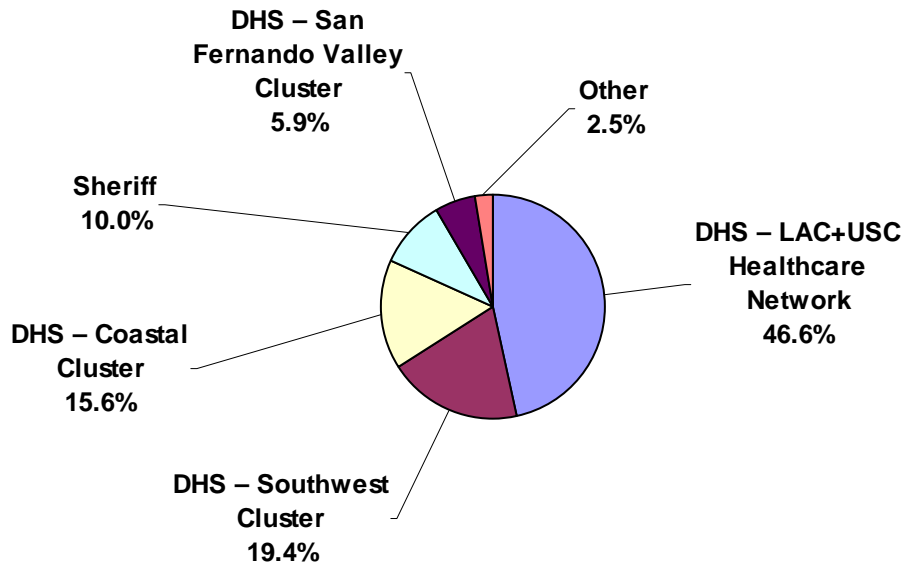
**County of Los Angeles Medical Malpractice Claim Count and Cost Summary
FY 2004-05 through FY 2006-07**

Department	FY 2004-05		FY 2005-06		FY 2006-07	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
DHS – Antelope Valley Cluster	8	\$299,708	6	\$58,713	10	\$84,112
DHS – Coastal Cluster	87	\$1,621,752	81	\$3,593,728	32	\$3,482,781
DHS – LAC+USC Healthcare Network	143	\$5,293,864	148	\$5,169,659	75	\$10,363,885
DHS – Other ⁴	3	\$2,556,707	1	\$3,674	9	\$12
DHS – Rancho Los Amigos	10	\$65,126	9	\$49,900	7	\$67,274
DHS – San Fernando Valley Cluster	43	\$1,232,187	32	\$2,499,956	29	\$1,309,533
DHS – Southwest Cluster	93	\$3,206,028	45	\$2,692,947	38	\$4,326,580
Health Services Subtotal	373	\$14,275,372	307	\$14,068,577	190	\$19,634,177
Children and Family Services	2	\$117,331	5	\$39,561	0	\$25
Coroner	15	\$24,377	24	\$52,240	6	\$212,809
District Attorney	2	\$53	0	\$10,261	0	\$0
Fire	9	\$205,979	5	\$252,435	15	\$46,918
Mental Health	11	\$84,330	16	\$60,420	23	\$119,812
Non-Jurisdictional	22	\$1,207	15	\$613	23	\$579
Office of Public Safety	0	\$14,914	0	\$0	2	\$23
Probation	0	\$139,947	0	\$734	1	\$1,589
Public Health	4	\$107,262	0	\$111,376	0	\$25,754
Public Social Services	0	\$178	0	\$0	0	\$0
Sheriff	37	\$1,210,095	86	\$660,607	40	\$2,228,249
Total⁵	442	\$16,181,045	402	\$15,256,824	276	\$22,269,935

Notes:

1. Amount Paid is the total of the transactions paid for medical malpractice claims and lawsuits in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts valued as of June 30, 2007.
4. DHS – Other includes Emergency Medical Services Administration, Juvenile Court Health Services, Health Services-NOC.
5. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

County of Los Angeles Percentage of Medical Malpractice Cost Paid by Department FY 2006-07



Note:

1. "Other" category includes claims coded to Children and Family Services, Coroner, District Attorney, Fire, Mental Health, Non-Jurisdictional, Office of Public Safety, Probation, Public Health, and Public Social Services.

Medical malpractice claim frequency declined significantly from FY 2005-06 to FY 2006-07; amount paid increased by 46%.

County of Los Angeles Number of Medical Malpractice Claims FY 2004-05 through FY 2006-07

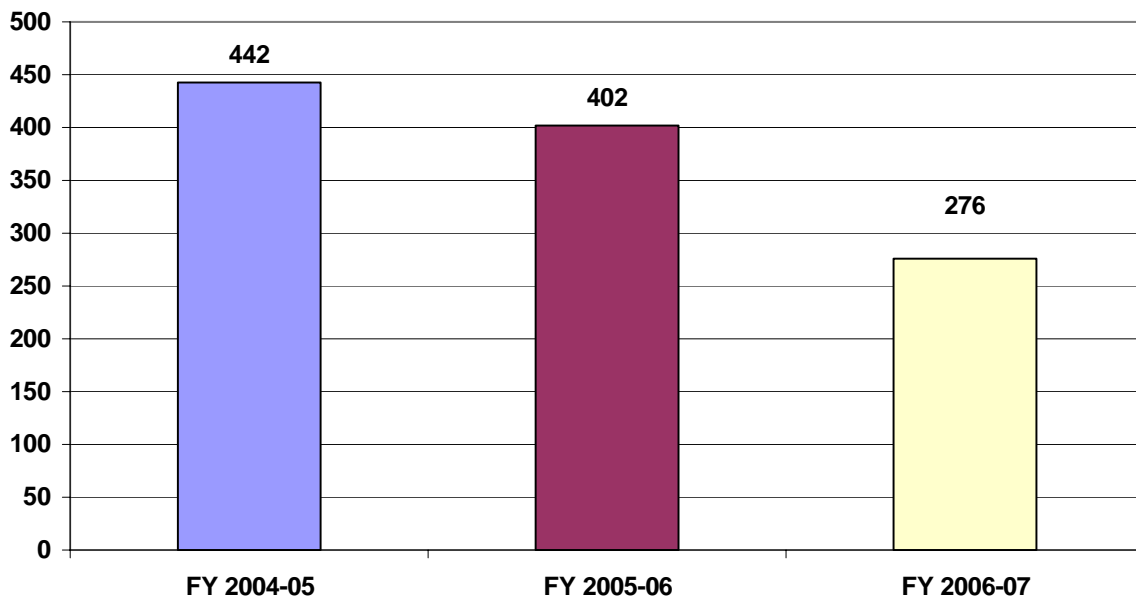


Exhibit H: Fiscal year comparison of State of California Labor Code 4850 and Salary Continuation cost

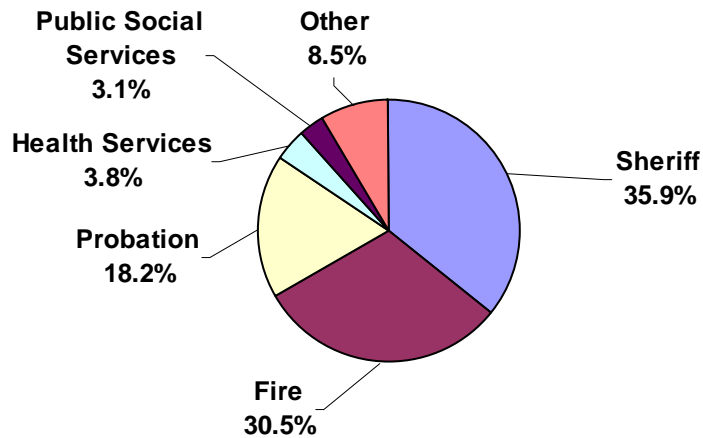
**County of Los Angeles Labor Code 4850 and Salary Continuation Cost Summary
FY 2004-05 through FY 2006-07**

Department	FY 2004-05	FY 2005-06	FY 2006-07
	Amount Paid ¹	Amount Paid ¹	Amount Paid ¹
Affirmative Action	\$20,904	\$0	\$7,920
Agricultural Commissioner/Weights and Measures	\$8,885	\$14,339	\$29,126
Alternate Public Defender	\$0	\$0	\$7,963
Animal Care and Control	\$150,826	\$75,181	\$58,343
Assessor	\$12,950	\$29,863	\$16,576
Auditor-Controller	\$39,303	\$28,629	\$16,326
Beaches and Harbors	\$44,702	\$28,237	\$25,821
Board of Supervisors	\$1,063	\$19,920	\$0
Chief Executive Officer	\$35,807	\$308	\$12,331
Chief Information Officer	\$4,449	\$0	\$0
Child Support Services	\$240,279	\$116,722	\$76,119
Children and Family Services	\$985,145	\$463,539	\$739,930
Community and Senior Services	\$42,677	\$12,315	\$20,412
Consumer Affairs	\$3,574	\$0	\$23,568
Coroner	\$52,696	\$32,823	\$52,058
County Counsel	\$24,602	\$1,320	\$20,578
District Attorney	\$264,864	\$275,915	\$324,007
Fire	\$13,778,001	\$13,245,018	\$13,107,930
Health Services	\$2,029,489	\$1,674,282	\$1,635,262
Human Relations Commission	\$0	\$0	\$0
Human Resources	\$4,730	\$1,800	\$1,320
Internal Services	\$253,835	\$213,360	\$261,844
LACERA	\$55,861	\$912	\$12,356
Mental Health	\$248,707	\$159,242	\$98,439
Military and Veterans Affairs	\$0	\$28,609	\$12,639
Museum of Art	\$0	\$235	\$0
Museum of Natural History	\$0	\$0	\$0
Non-Jurisdictional	\$0	\$0	\$0
Office of Public Safety	\$471,533	\$464,251	\$276,648
Ombudsman	\$0	\$0	\$0
Parks and Recreation	\$72,689	\$119,000	\$222,610
Pending Assignment	\$0	\$0	\$0
Probation	\$7,881,240	\$6,543,651	\$7,809,314
Public Defender	\$63,986	\$57,781	\$52,006
Public Health	\$403,245	\$316,261	\$299,835
Public Library	\$33,884	\$44,125	\$35,219
Public Social Services	\$1,563,735	\$1,522,220	\$1,329,588
Public Works	\$503,909	\$542,082	\$319,643
Regional Planning	\$0	\$643	\$0
Registrar-Recorder/County Clerk	\$46,396	\$17,408	\$53,926
Sheriff	\$19,100,009	\$15,320,053	\$15,457,230
Superior Court	\$941,069	\$863,158	\$577,052
Treasurer and Tax Collector	\$9,249	\$23,717	\$13,890
Total	\$49,394,293	\$42,256,919	\$43,007,829

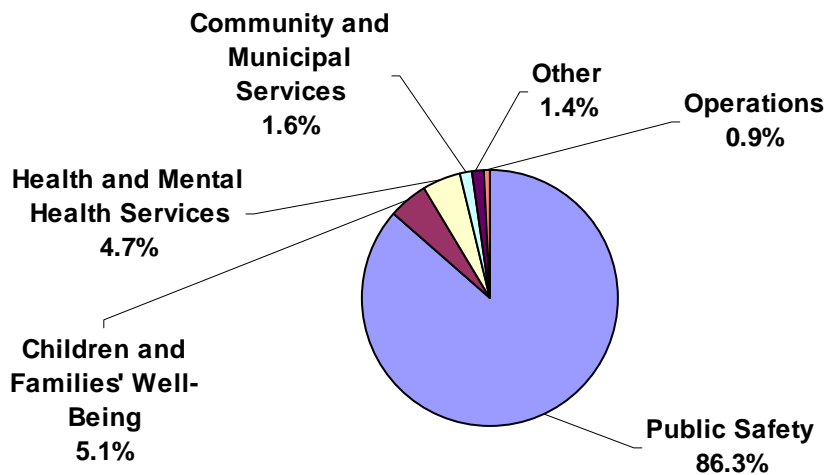
Note:

1. Amount Paid is as reported by the Auditor-Controller based on the sum of 70% IA, 100% IA, and MegaIA expense.

**County of Los Angeles Labor Code 4850 and Salary Continuation
Cost Summary by Department
FY 2006-07**



**County of Los Angeles Labor Code 4850 and Salary Continuation
Cost Summary by Cluster
FY 2006-07**



Notes:

1. "Other" category includes claims coded to Chief Executive Office, LACERA, Non-Jurisdictional, Pending Assignment, and Superior Court.
2. See Exhibit I for a breakdown of departments by cluster.

Exhibit I: Cluster – department list

Cluster – Department List

Cluster Name	Department Name
Children and Families' Well-Being	Child Support Services
	Children and Family Services
	Community and Senior Services
	Human Relations Commission
	Military and Veterans Affairs
	Public Social Services
Community and Municipal Services	Animal Care and Control
	Beaches and Harbors
	Consumer Affairs
	Museum of Art
	Museum of Natural History
	Parks and Recreation
	Public Library
	Public Works
	Regional Planning
Health and Mental Health Services	Health Services
	Mental Health
	Public Health
Operations	Affirmative Action
	Assessor
	Auditor-Controller
	Board of Supervisors
	Chief Information Officer
	County Counsel
	Human Resources
	Internal Services
	Registrar-Recorder/County Clerk
	Treasurer and Tax Collector
Public Safety	Agricultural Commissioner/Weights and Measures
	Alternate Public Defender
	Coroner
	District Attorney
	Fire
	Office of Public Safety
	Ombudsman
	Probation
	Public Defender
	Sheriff
Other	Chief Executive Officer
	LACERA
	Non-Jurisdictional
	Pending Assignment
	Superior Court

STATISTICS, FY 2007-08 (July 1, 2007 through December 31, 2007)

Total Cost Paid – All Claims.....	Exhibit J
Total Number of Claims Filed.....	Exhibit K
Workers' Compensation Claim Count and Cost Summary and State of California Labor Code 4850 and Salary Continuation Cost Summary.....	Exhibit L
Vehicle and General Liability Claim Count and Cost Summary..	Exhibit M
Medical Malpractice Claim Count and Cost Summary.....	Exhibit N



Exhibit J: Fiscal year comparison of total cost paid, regardless of date of occurrence

**County of Los Angeles Total Cost Paid – All Claims
FY 2004-05 through FY 2007-08**

Fiscal Year	Vehicle Liability	General Liability	Medical Malpractice	Workers' Compensation	Labor Code 4850 and Salary Continuation	Grand Total
FY 2004-05	\$7,884,433	\$37,349,129	\$16,181,045	\$272,735,278	\$49,394,293	\$383,544,178
FY 2005-06	\$6,742,230	\$44,490,645	\$15,256,824	\$263,053,690	\$42,256,919	\$371,800,308
FY 2006-07	\$10,070,852	\$52,118,253	\$22,269,935	\$279,991,751	\$43,007,829	\$407,458,620
FY 2007-08 (six months)	\$8,174,460	\$27,253,538	\$12,854,800	\$136,111,091	\$21,664,677	\$206,058,566

Notes:

1. Data do not include unemployment costs.
2. Data include pending and non-jurisdictional departments, but do not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information includes County Counsel tort claims.
3. Amount Paid is the total of the transactions paid by coverage code in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of occurrence date; does not include RBNP or IBNR reserves.
4. Workers' compensation paid does not reflect State of California Labor Code 4850 or salary continuation payments.

Exhibit K: Fiscal year comparison of total number of claims filed by type

**County of Los Angeles Total Number of Claims Filed by Claim Type
FY 2004-05 through FY 2006-07**

Claim Type^{1,2}	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08 (six months)
Vehicle Liability	947	830	870	443
General Liability	2,953	3,101	2,956	1,903
Medical Malpractice	442	402	276	144
Workers' Compensation	10,476	10,468	10,019	5,385
Grand Total	14,818	14,801	14,121	7,875

Notes:

1. Total number of claims filed by fiscal year regardless of date of occurrence; count includes all suffixes.
2. Includes County Counsel tort claims, but not agencies that are not County departments, i.e. MTA, Foothill Transit, etc.

FY 2006-07 Risk Management Annual Report

Exhibit L: Workers' compensation claim count and cost summary and State of California Labor Code 4850 and salary continuation cost summary, July 1, 2007 through December 31, 2007

Department	Labor Code 4850 / Salary Continuation	Workers' Compensation	
	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action	\$0	0	\$11,585
Agricultural Commissioner/Weights and Measures	\$4,442	12	\$376,779
Alternate Public Defender	\$0	2	\$39,204
Animal Care and Control	\$37,527	69	\$302,974
Assessor	\$568	17	\$678,868
Auditor-Controller	\$3,120	5	\$195,723
Beaches and Harbors	\$4,337	10	\$218,991
Board of Supervisors	\$0	10	\$112,398
Chief Executive Officer	\$16,173	4	\$203,545
Chief Information Officer	\$0	0	\$2,062
Child Support Services	\$75,478	42	\$1,485,967
Children and Family Services	\$322,136	170	\$7,007,782
Community and Senior Services	\$36,925	7	\$320,918
Consumer Affairs	\$3,532	1	\$16,189
Coroner	\$31,546	20	\$339,224
County Counsel	\$906	5	\$233,586
District Attorney	\$106,326	46	\$2,422,262
Fire	\$7,421,001	722	\$16,357,323
Health Services	\$757,961	684	\$20,706,707
Human Relations Commission	\$882	3	\$792
Human Resources	\$0	0	\$126,357
Internal Services	\$89,220	67	\$2,531,303
LACERA	\$0	4	\$156,349
Mental Health	\$65,429	70	\$1,848,820
Military and Veterans Affairs	\$0	1	\$25,846
Museum of Art	\$8,634	1	\$69,535
Museum of Natural History	\$0	2	\$55,049
Non-Jurisdictional	\$0	4	\$0
Office of Public Safety	\$255,479	20	\$1,523,349
Ombudsman	\$0	0	\$0
Parks and Recreation	\$62,083	110	\$1,470,763
Pending Assignment	\$0	29	\$0
Probation	\$3,739,336	411	\$9,217,175
Public Defender	\$73,172	24	\$468,273
Public Health	\$160,095	104	\$3,142,525
Public Library	\$19,519	12	\$458,914
Public Social Services	\$723,154	407	\$14,290,565
Public Works	\$132,285	138	\$2,615,142
Regional Planning	\$0	3	\$24,426
Registrar-Recorder/County Clerk	\$39,014	25	\$504,523
Sheriff	\$7,114,656	1,980	\$41,883,792
Superior Court	\$335,057	134	\$4,356,011
Treasurer and Tax Collector	\$24,684	10	\$309,495
Total⁴	\$21,664,677	5,385	\$136,111,091

Notes:

1. Amount Paid is the total of the transactions paid by coverage code in the fiscal year regardless of occurrence date plus amounts paid for workers' compensation from the WCTF report. Amount Paid includes indemnity, legal fees and expenses. Does not include RBNP or IBNR reserves. Workers' compensation paid does not reflect State of California Labor Code 4850 or salary continuation payments. Data do not include unemployment costs.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information does include County Counsel tort files. County Counsel expenditures are included.
3. Amounts valued as of December 31, 2007.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

Exhibit M: Vehicle and general liability claim count and cost summary

**County of Los Angeles Vehicle and General Liability Claim Count and Cost Summary
July 1, 2007 through December 31, 2007**

Department	Vehicle Liability		General Liability	
	# New Claims	Amount Paid ^{1,2,3} (all claims)	# New Claims	Amount Paid ^{1,2,3} (all claims)
Affirmative Action	0	\$0	0	\$0
Agricultural Commissioner/Weights and Measures	1	\$457,454	4	\$2,740
Alternate Public Defender	0	\$0	3	\$210,493
Animal Care and Control	4	\$2,379	15	\$166,955
Assessor	0	\$1,837	7	\$105,394
Auditor-Controller	0	\$0	12	\$47,589
Beaches and Harbors	4	\$17,738	14	\$25,508
Board of Supervisors	3	\$29,502	6	\$167,841
Chief Executive Officer	0	\$0	5	\$107,198
Chief Information Officer	0	\$0	0	\$0
Child Support Services	3	\$95	9	\$72,188
Children and Family Services	28	\$56,924	62	\$1,755,329
Community and Senior Services	0	\$0	0	\$126,505
Consumer Affairs	2	\$3,201	0	\$0
Coroner	3	\$19,075	21	\$1,958
County Counsel	3	\$0	2	\$51,830
District Attorney	17	\$21,320	29	\$352,092
Fire	34	\$518,404	15	\$467,561
Health Services	1	\$16,082	193	\$1,930,375
Human Relations Commission	0	\$0	0	\$0
Human Resources	0	\$0	0	\$682
Internal Services	5	\$34,558	23	\$111,599
LACERA	0	\$0	1	\$0
Mental Health	11	\$96,572	12	\$935,596
Military and Veterans Affairs	0	\$0	0	\$0
Museum of Art	0	\$0	2	\$274
Museum of Natural History	0	\$0	2	\$0
Non-Jurisdictional	29	\$3,601	162	\$385,963
Office of Public Safety	8	\$40,886	8	\$326,921
Ombudsman	0	\$0	0	\$0
Parks and Recreation	6	\$2,995	34	\$75,280
Pending Assignment	9	\$2,793	2	\$218
Probation	9	\$27,181	38	\$828,808
Public Defender	1	\$948	7	\$35,440
Public Health	8	\$17,501	6	\$727,779
Public Library	0	\$135	7	\$9,704
Public Social Services	16	\$26,474	19	\$45,910
Public Works	56	\$98,823	287	\$5,312,857
Regional Planning	0	\$0	4	\$43,026
Registrar-Recorder/County Clerk	1	\$12,933	19	\$307,279
Sheriff	182	\$6,665,049	1,010	\$12,441,679
Superior Court	0	\$0	0	\$0
Treasurer and Tax Collector	0	\$0	37	\$72,967
Total⁴	443	\$8,174,460	1,903	\$27,253,538

Notes:

1. Amount Paid is the total of the transactions paid by coverage code in the fiscal year regardless of occurrence date plus amounts paid for workers' compensation from the WCTF report. Amount Paid includes indemnity, legal fees and expenses. Does not include RBNP or IBNR reserves. Workers' compensation paid does not reflect State of California Labor Code 4850 or salary continuation payments. Data do not include unemployment costs.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information does include County Counsel tort files. County Counsel expenditures are included.
3. Amounts valued as of December 31, 2007.
4. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.

Exhibit N: Medical malpractice claim count and cost summary

**County of Los Angeles Medical Malpractice Claim Count and Cost Summary
July 1, 2007 through December 31, 2007**

Department	Medical Malpractice	
	# New Claims	Amount Paid ^{1,2,3} (all claims)
DHS – Antelope Valley Cluster	3	\$9,309
DHS – Coastal Cluster	34	\$3,374,681
DHS – LAC+USC Healthcare Network	40	\$7,690,895
DHS – Other ⁴	2	\$30,913
DHS – Rancho Los Amigos	6	\$2,289
DHS – San Fernando Valley Cluster	18	\$242,945
DHS – Southwest Cluster	15	\$986,166
Health Services Subtotal	118	\$12,337,198
Coroner	8	\$114,054
Fire	2	\$52,890
Mental Health	7	\$51,796
Office of Public Safety	1	\$39,575
Probation	0	\$1,224
Public Health	3	\$9,115
Sheriff	17	\$248,948
Total⁵	144	\$12,854,800

Notes:

1. Amount Paid is the total of the transactions paid for medical malpractice claims and lawsuits in the fiscal year; amount includes indemnity, legal fees and expenses, regardless of date of occurrence. Does not include RBNP or IBNR reserves.
2. Above information includes pending and non-jurisdictional departments, but does not include associated agencies that are not County departments, i.e. MTA, Foothill Transit, etc. This information includes County Counsel tort files.
3. Amounts valued as of December 31, 2007.
4. DHS – Other includes Emergency Medical Services Administration, Juvenile Court Health Services, Health Services-NOC.
5. The total number of claims does not add up to the sum of claims by department since some claims are allocated to multiple departments; count includes all suffixes.